

2019

LEGAL MALPRACTICE INSURANCE REPORT

MISSOURI DEPARTMENT OF COMMERCE & INSURANCE



DCI

Missouri Department of Commerce & Insurance

Also Available from DCI

Reports: The following reports are also available:

- *Missouri Market Share Report*
- *Missouri Real Estate Malpractice (Closed Claim Report)*
- *Missouri Legal Malpractice (Closed Claim Report)*
- *Missouri Products Liability (Closed Claim Report)*
- *Missouri Medical Malpractice Insurance Report*
- *Missouri Health Maintenance Organization Report*
- *Missouri Life, Accident & Health Supplement Report*
- *Missouri Property and Casualty Supplement Report*
- *Missouri Commercial Liability Report*
- *Missouri Mortgage Guaranty Report*
- *Missouri Uninsured Automobile Report*

Databases: for data requests, contact the Statistics Section at 573-751-3163. Some data are available for a fee.

- *Medicare Supplement Experience Data*
- *Property and Casualty Supplement Data*
- *Missouri Zip Code data for homeowners/ dwelling fire, farmowners (dwelling only, mobile home, earthquake, and private passenger automobile insurance.*

Many reports, including this complaint report, are available at no cost on the DCI website, at <http://insurance.mo.gov/reports/>. For paper copies, inquire with the Statistics Section at the above number.

The Department of Commerce and Insurance is an Equal Opportunity Employer.

DEFINITION OF TERMS

Indemnity Paid: The sum of all payments made during the year for the benefit of insurance claimants, before reinsurance has been ceded and/or assumed. These payments include amounts paid in the current year for claims arising from coverage in prior years and exclude amounts which will be paid in future years for claims arising from the current year. Hence, this item is not a measure of the actual cost of current coverages, but only of current cash flows.

Loss Adjustment Expenses: The cost involved in an insurance company's adjustment of losses under a policy.

Direct Premiums Written: The dollar amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

Direct Premiums Earned: The part of premium attributable to the coverage already provided in a given period before reinsurance has been ceded and/or assumed.

Direct Losses Incurred: The sum of direct losses paid plus an estimate at the close of the year of the amounts to be paid in the future for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

Loss Ratio: The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.

LEGAL MALPRACTICE INSURANCE REPORT EXECUTIVE SUMMARY

This report summarizes the legal malpractice insurance experience in Missouri from 2010 to 2019.

The charts, graphs and tables in this report are limited to closed claim information and were constructed from data collected by the Department of Commerce and Insurance as required by Section 383.077 RSMo. The premium and loss data, obtained from the Missouri Page 19 Supplement to the companies' annual statements are presented in the final section.

In 2019, the loss ratio for legal malpractice insurance in Missouri was 49 percent. For the 10-year period of claims closed¹, 502 (27 percent) were closed with payment. Claims closed in 2019 totaled 85, a 40 percent decrease from the previous year. The average payment was \$228,356.

The cost to an insurer for settling legal malpractice cases (called loss adjustment expense, consisting of legal fees, claim adjustment costs and related items) has fluctuated over the past 10 years. In 2019, the average loss adjustment expense for all claims closed with payment was \$46,100 compared to \$86,068 in 2018.

Indemnity amounts are categorized by claim characteristics, including:

- Area of law in which the insured was retained by the claimant.
- Major activity in which the lawyer was engaged at the time the alleged error or omission occurred.
- Alleged error or omission that was the most significant reason for making the claim.
- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

¹ Claims closed may have resulted from incidents in any previous period.

By area of law, the largest share of claims closed in 2019 (16 of 85) was initiated by plaintiffs in *bodily injury/property damage - plaintiff*. The largest proportion of all claims closed in 2019 under the major activity code occurred during *commencement of action or proceeding*. Of all claims paid during 2019, 47 percent were settled *before filing suit or demanding hearing* on the alleged malpractice.

Eighty-three percent of losses in 2019 occurred among attorneys with *more than 10 years of practice*. The insured's relationship to the claimant is partitioned into four subclasses: *free legal service, non-client, member of pre-paid legal plan and client other than free service or prepaid legal plan*. Seventy percent of 2019 claims occurred in the category of *client other than free legal service or member of pre-paid legal plan*.

Only 15 companies reported writing legal malpractice insurance in Missouri for 2019. Of these, the Bar Plan Mutual Insurance Company was by far the largest, with over 55 percent of the legal malpractice insurance market in this state.

This report was compiled using information submitted by insurance companies. As a result, the accuracy of this report is dependent upon the correctness of each company's data. Copies of this report will be made available in Braille, large print or on audio cassette upon request. Any questions regarding this report should be addressed to the Statistics Section, Department of Commerce and Insurance, P.O. Box 690, Jefferson City, MO 65102-0690.

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
I	TEN YEAR SUMMARY	3
II	INDEMNITY SUMMARY	
	Area of Law: 10-Year and 2019 Summary	9
	Trends of the Top 10 Areas of Law	13
	Major Activity: 10-Year and 2019 Summary	25
	Trends of the Top 10 Major Activity	29
	Alleged Errors or Omissions: 10-Year and 2019 Summary	41
	Trends of the Top 10 Alleged Errors or Omissions	45
	Claim Disposition: 10-Year and 2019 Summary	57
	Trends of the Top 8 Claim Dispositions	61
	Years Admitted to Practice: 10-Year and 2019 Summary	69
	Trends of Years Admitted to Practice	73
	Insured/Claimant Relationship: 10-Year and 2019 Summary	77
	Trends of Insured/Claimant Relationship	81
III	PREMIUM AND LOSS DATA	85

**TEN YEAR
SUMMARY
(2010-2019)**

LEGAL MALPRACTICE EXPERIENCE

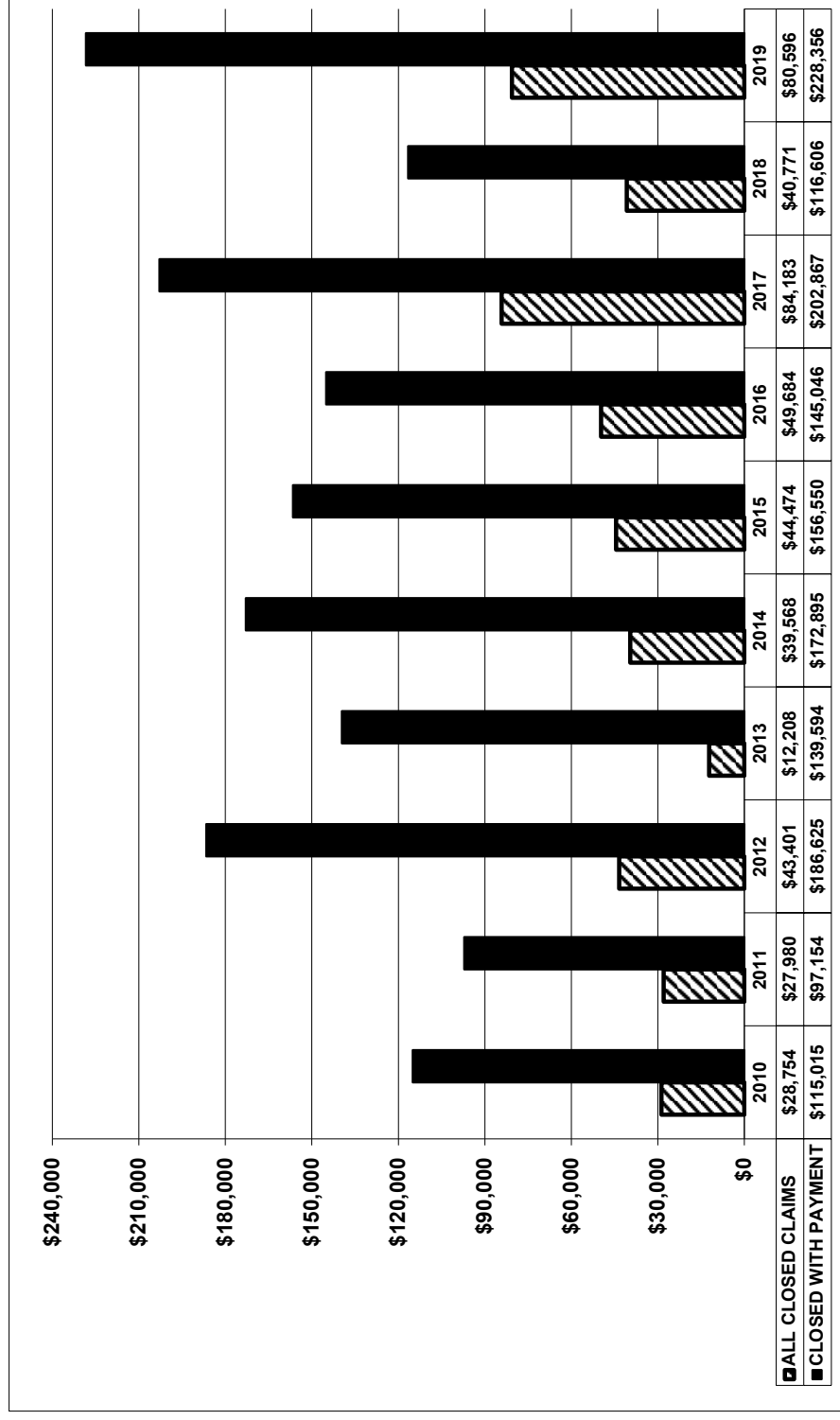
TEN YEAR SUMMARY

(2010-2019)

CLOSED CLAIMS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	TOTAL INDEMNITY PAID	AVERAGE INDEMNITY PAID	TOTAL LOSS EXPENSES PAID	AVERAGE LOSS EXPENSE PAID
All Closed Claims	1,893	100.0%	\$76,037,277	\$40,168	\$39,593,711	\$20,916
Closed with Payment	502	26.5%	\$76,037,277	\$151,469	\$23,589,831	\$46,992
Closed without Payment	1,392	73.5%	\$0	\$0	\$16,003,880	\$11,497
Claims Settled Through Court Proceedings	172	9.1%	\$3,788,128	\$22,024	\$10,188,720	\$59,237
Court Proceedings Resulting in Payment	21	1.1%	\$3,788,128	\$180,387	\$3,318,965	\$158,046

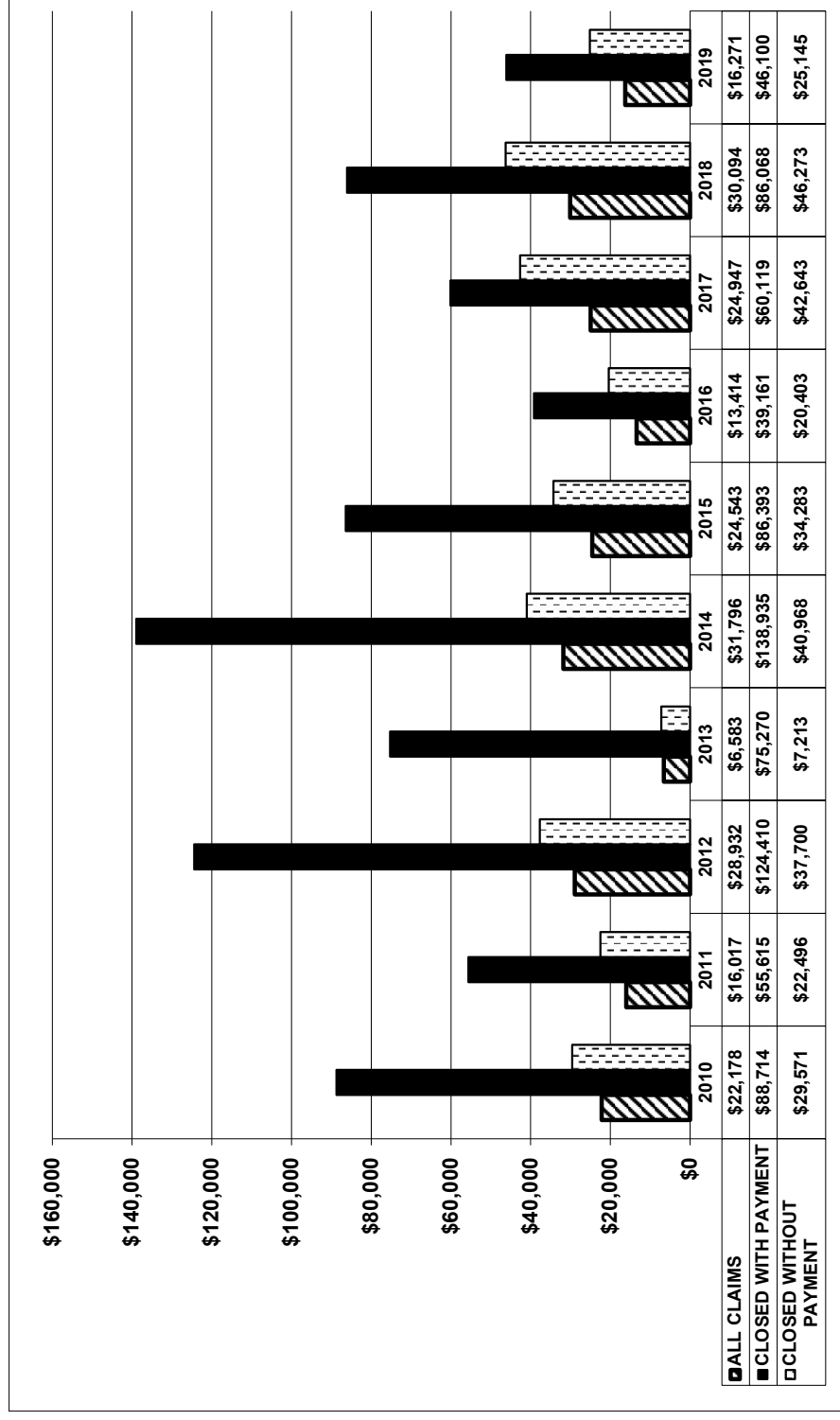
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID CLAIM



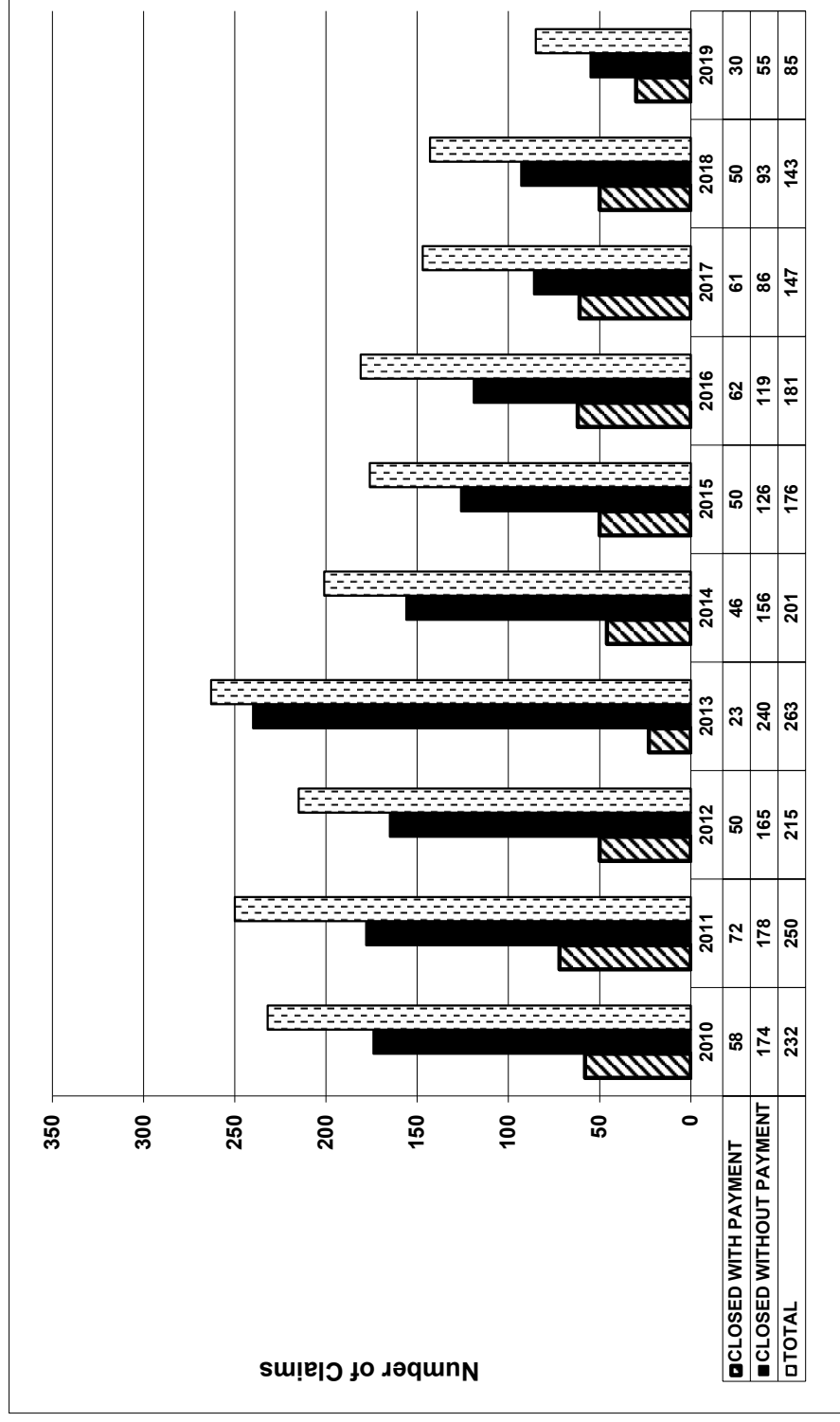
MISSOURI LEGAL MALPRACTICE INSURANCE

AVERAGE PAID LOSS ADJUSTMENT EXPENSE



MISSOURI LEGAL MALPRACTICE INSURANCE

CLAIM COUNT 2010-2019



**TEN YEAR SUMMARY
&
2019 SUMMARY
BY
AREA OF LAW**

LEGAL MALPRACTICE INSURANCE

INDEMNITY ANALYSIS

FOR YEARS 2010-2019

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF	357	116	23.11%	\$189,685	\$22,003,451	28.94%	\$19,201
COLLECTION & BANKRUPTCY	326	75	14.94%	\$110,017	\$8,251,293	10.85%	\$8,920
ESTATE, TRUST & PROBATE	233	69	13.75%	\$111,493	\$7,692,996	10.12%	\$21,627
REAL ESTATE	223	45	8.96%	\$100,201	\$4,509,036	5.93%	\$11,005
FAMILY LAW	214	51	10.16%	\$117,099	\$5,972,042	7.85%	\$17,269
CORPORATE & BUSINESS ORGANIZATION	112	22	4.38%	\$227,562	\$5,006,363	6.58%	\$29,171
BUSINESS TRANSACTION/COMMER LAW	73	25	4.98%	\$127,692	\$3,192,309	4.20%	\$69,411
CRIMINAL	65	8	1.59%	\$28,469	\$227,750	0.30%	\$11,908
WORKERS COMPENSATION	58	16	3.19%	\$232,053	\$3,712,842	4.88%	\$7,254
BI/PD - DEFENDANT	47	14	2.79%	\$342,398	\$4,793,571	6.30%	\$53,213
CIVIL RIGHTS & COMMISSION	43	10	1.99%	\$160,300	\$1,603,000	2.11%	\$11,754
LABOR LAW	39	16	3.19%	\$127,907	\$2,046,504	2.69%	\$24,258
CONSUMER CLAIMS	25	8	1.59%	\$76,438	\$611,500	0.80%	\$33,265
LOCAL GOVERNMENT	15	5	1.00%	\$212,234	\$1,061,172	1.40%	\$41,834
TAXATION	14	4	0.80%	\$328,917	\$1,315,669	1.73%	\$28,833
CONSTRUCTION (BUILDING CONTRACTS)	13	5	1.00%	\$196,756	\$983,779	1.29%	\$36,041
PATENTS, TRADEMARKS, COPYRIGHTS	11	3	0.60%	\$237,500	\$712,500	0.94%	\$222,042
SECURITIES (S.E.C.)	11	2	0.40%	\$83,750	\$167,500	0.22%	\$7,377
GOVERNMENT CONTRACTS & CLAIMS	7	3	0.60%	\$51,667	\$155,000	0.20%	\$4,076
IMMIGRATION & NATURALIZATION	3	2	0.40%	\$142,000	\$284,000	0.37%	\$6,666
ADMIRALTY	2	1	0.20%	\$1,105,000	\$1,105,000	1.45%	\$85,064
ENVIRONMENT	1	1	0.20%	\$330,000	\$330,000	0.43%	\$18,307
NATIONAL RESOURCES	1	1	0.20%	\$300,000	\$300,000	0.39%	\$68,837
TOTAL	1,893	502	100.00%	\$151,469	\$76,037,277	100.00%	\$20,916

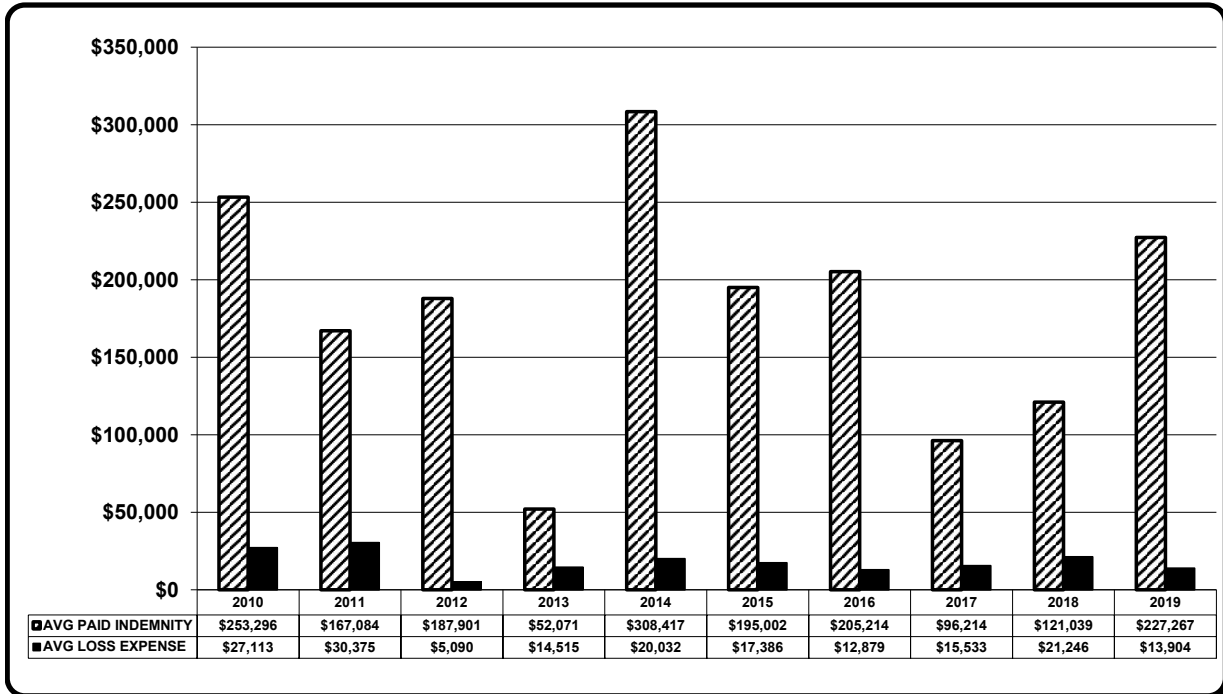
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2019

AREA OF LAW	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BI/PD - PLAINTIFF	16	7	23.33%	\$227,267	\$1,590,872	23.22%	\$13,904
COLLECTION & BANKRUPTCY	14	8	26.67%	\$497,066	\$3,976,528	58.05%	\$13,338
ESTATE, TRUST & PROBATE	12	5	16.67%	\$163,730	\$818,652	11.95%	\$3,647
FAMILY LAW	10	3	10.00%	\$30,770	\$92,310	1.35%	\$22,095
REAL ESTATE	10	2	6.67%	\$46,004	\$92,008	1.34%	\$13,470
BUSINESS TRANSACTION/COMMERCIAL LAW	5	0	0.00%	N/A	\$0	0.00%	\$29,764
CORPORATE & BUSINESS ORGANIZATION	5	0	0.00%	N/A	\$0	0.00%	\$56,561
CRIMINAL	4	1	3.33%	\$20,000	\$20,000	0.29%	\$5,296
BI/PD - DEFENDANT	2	0	0.00%	N/A	\$0	0.00%	\$4,244
CIVIL RIGHTS & COMMISSION	2	1	3.33%	\$130,000	\$130,000	1.90%	\$33,104
CONSUMER CLAIMS	2	1	3.33%	\$70,000	\$70,000	1.02%	\$23,451
WORKERS COMPENSATION	2	1	3.33%	\$10,313	\$10,313	0.15%	\$0
GOVERNMENT CONTRACTS & CLAIMS	1	1	3.33%	\$50,000	\$50,000	0.73%	\$0
TOTAL	85	30	100.00%	\$228,356	\$6,850,683	100.00%	\$16,271

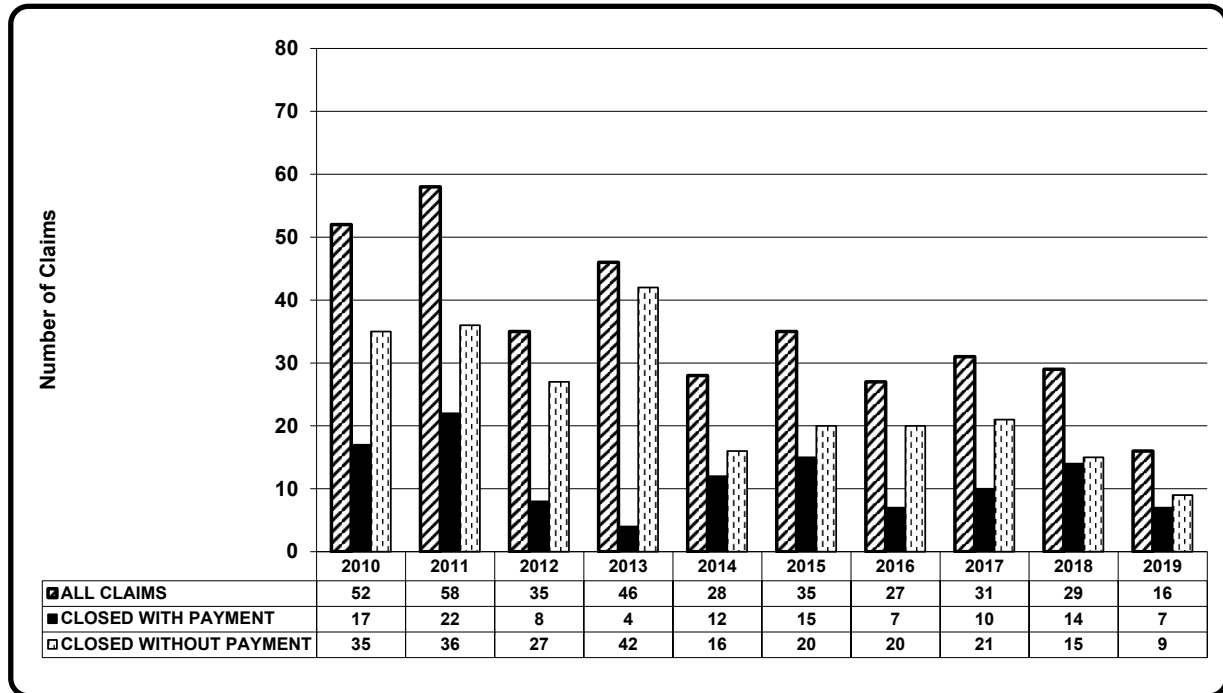
**TRENDS
OF THE TOP TEN
AREAS OF LAW
OF 2019**

BI/PD - PLAINTIFF

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

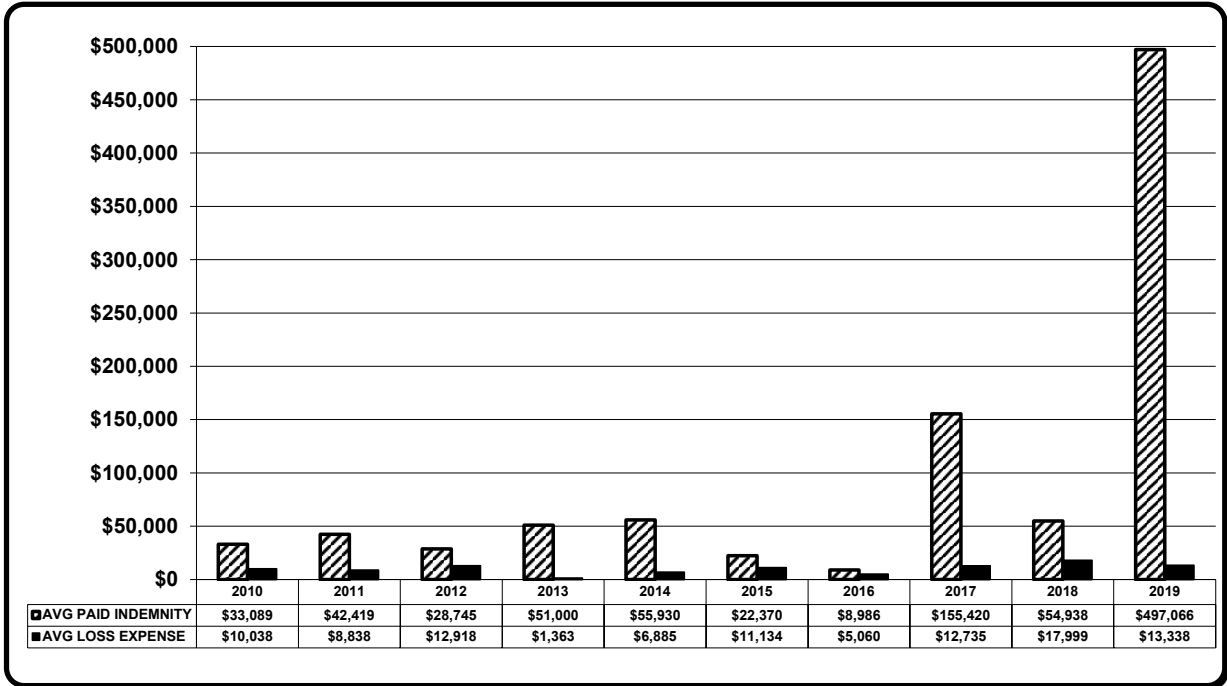


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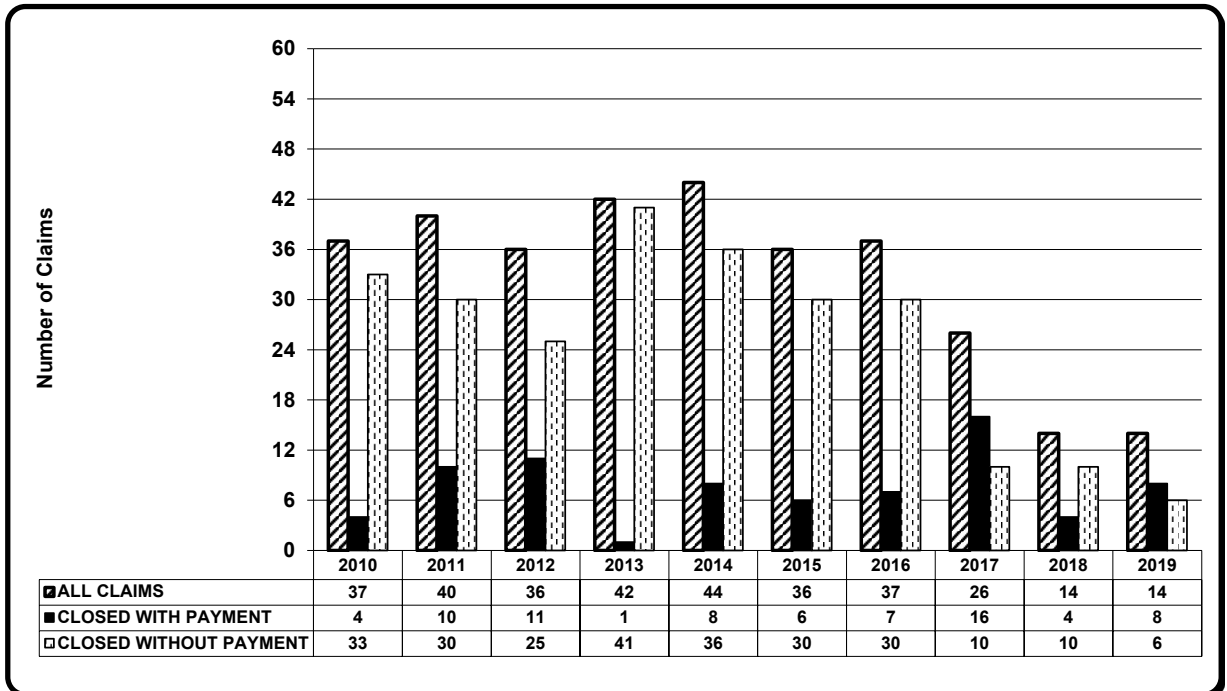


COLLECTION & BANKRUPTCY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

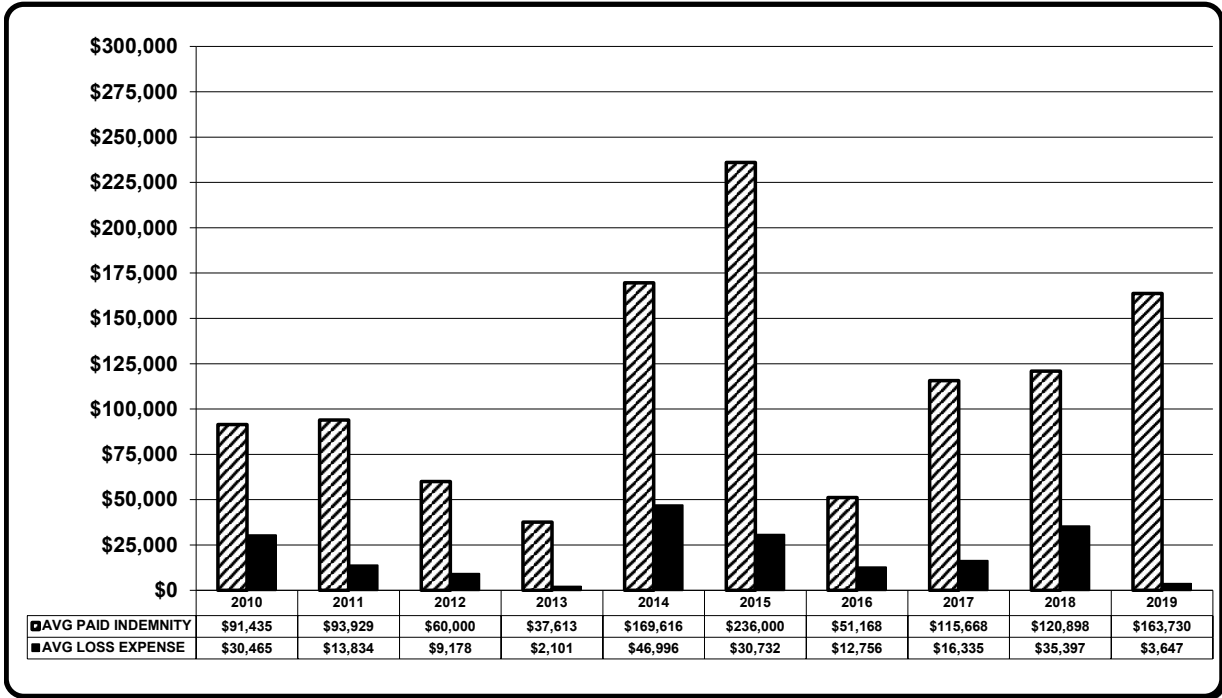


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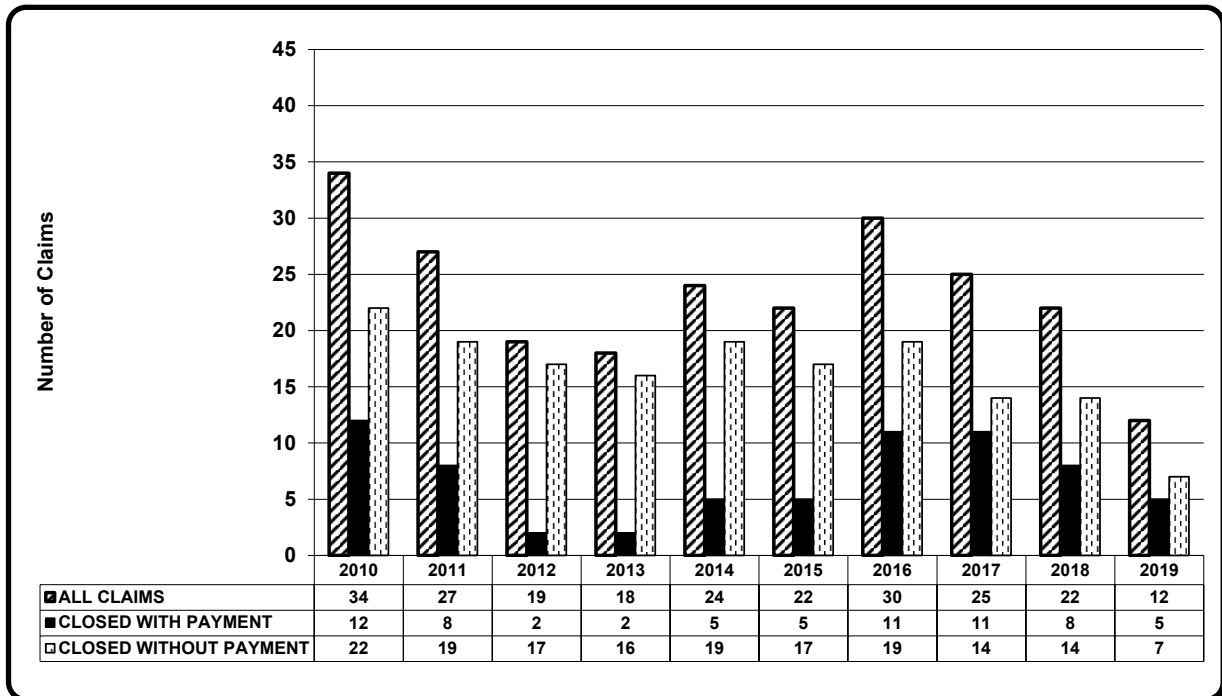


ESTATE, TRUST & PROBATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

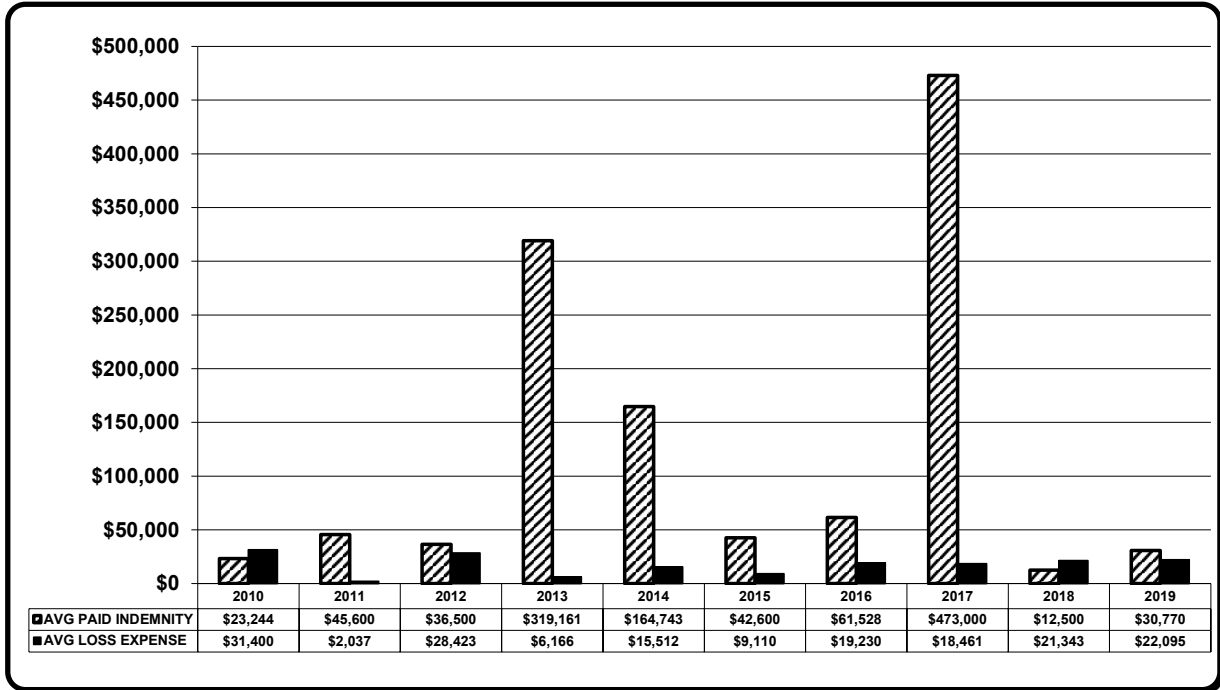


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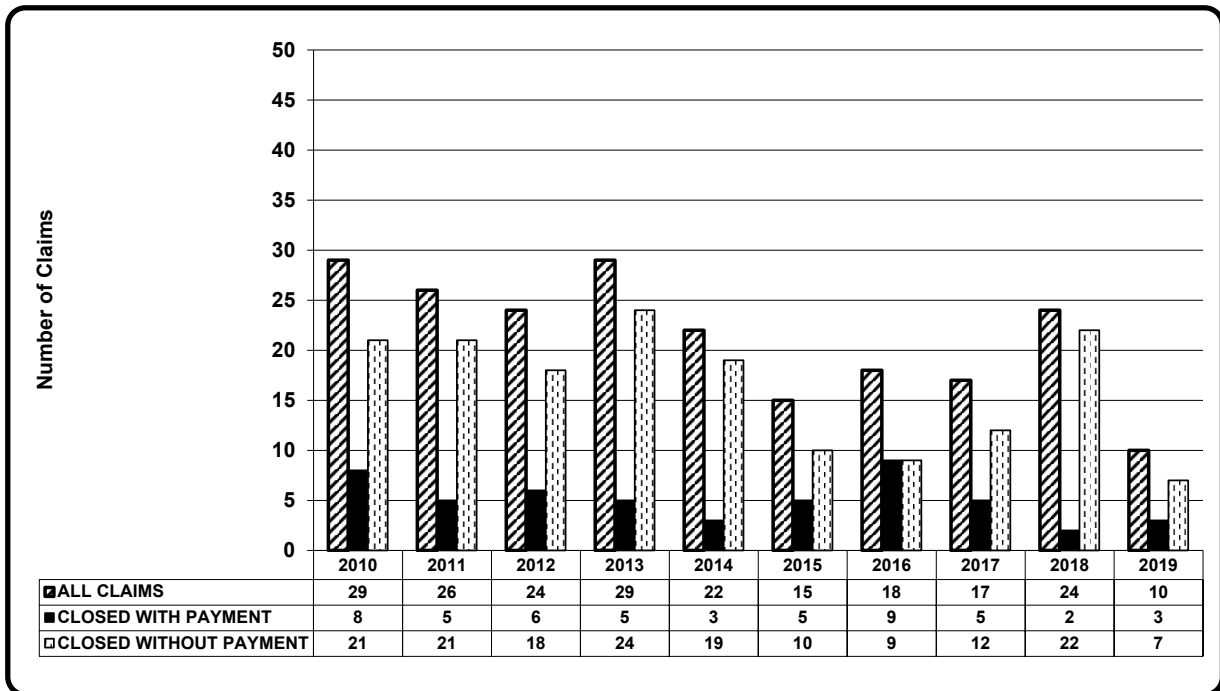


FAMILY LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

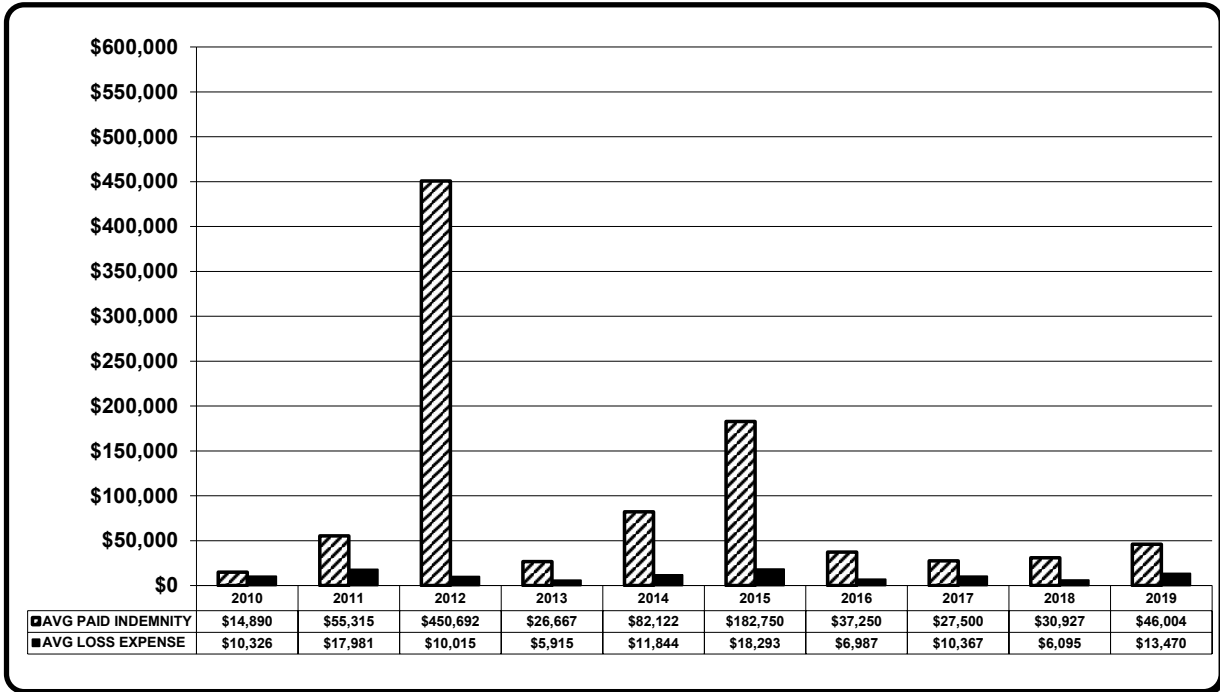


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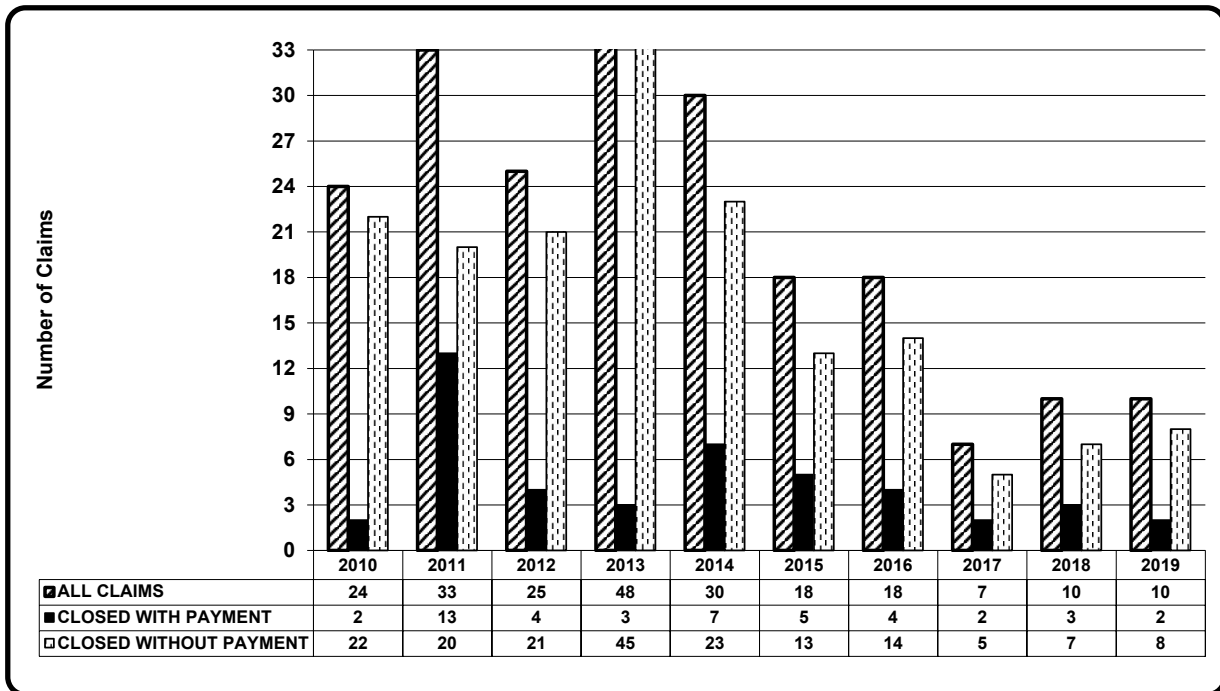


REAL ESTATE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

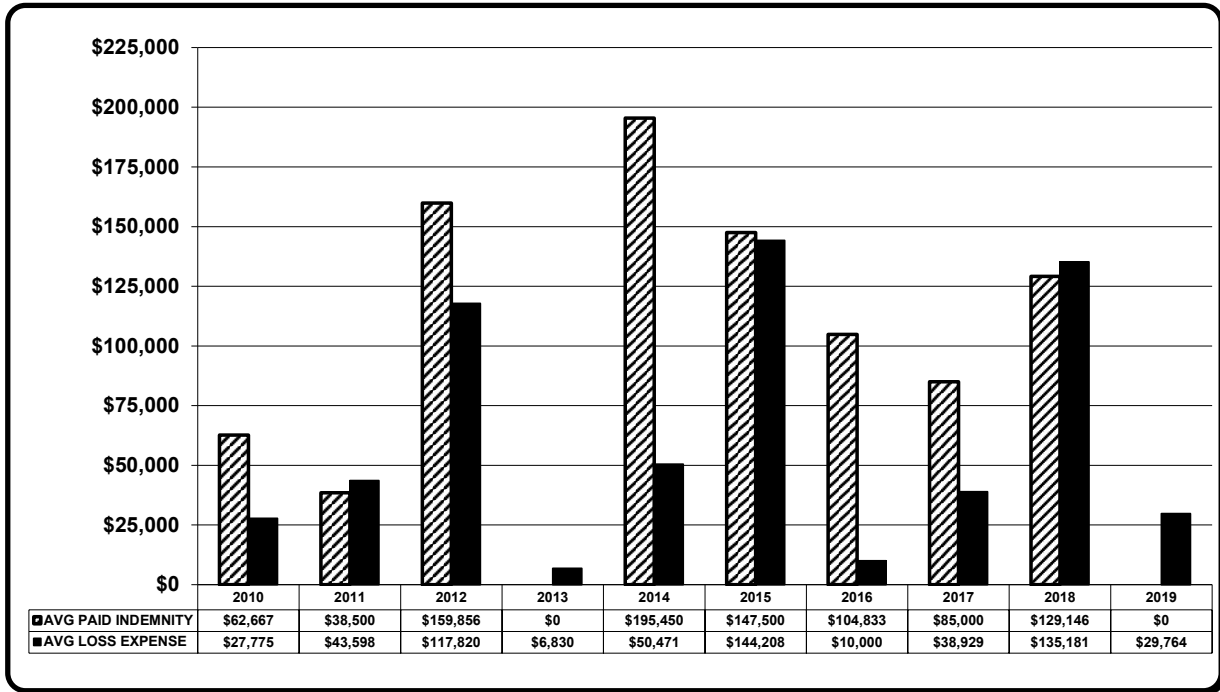


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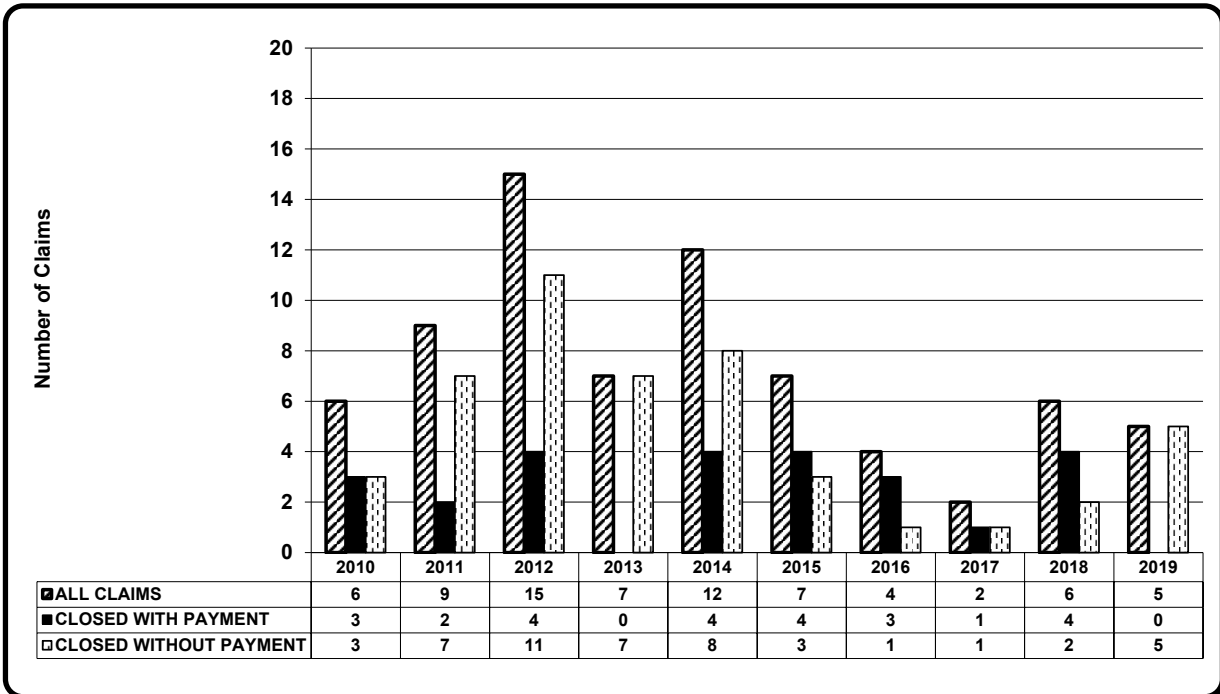


BUSINESS TRANSACTION/COMMERCIAL LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

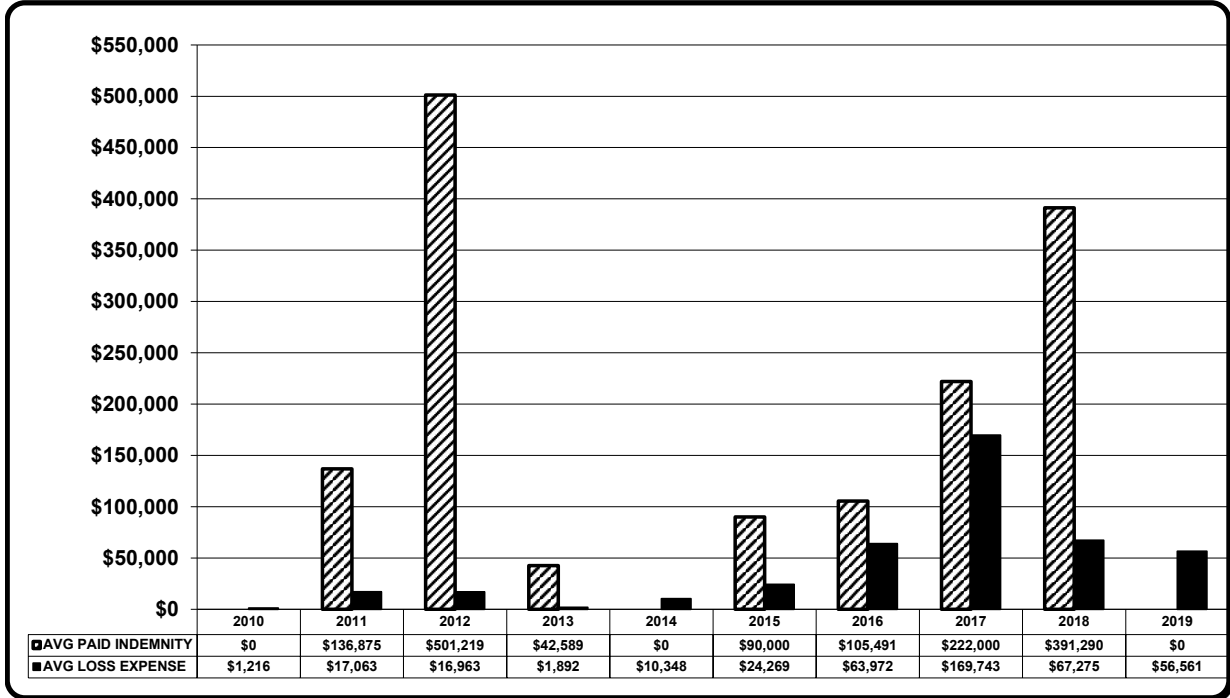


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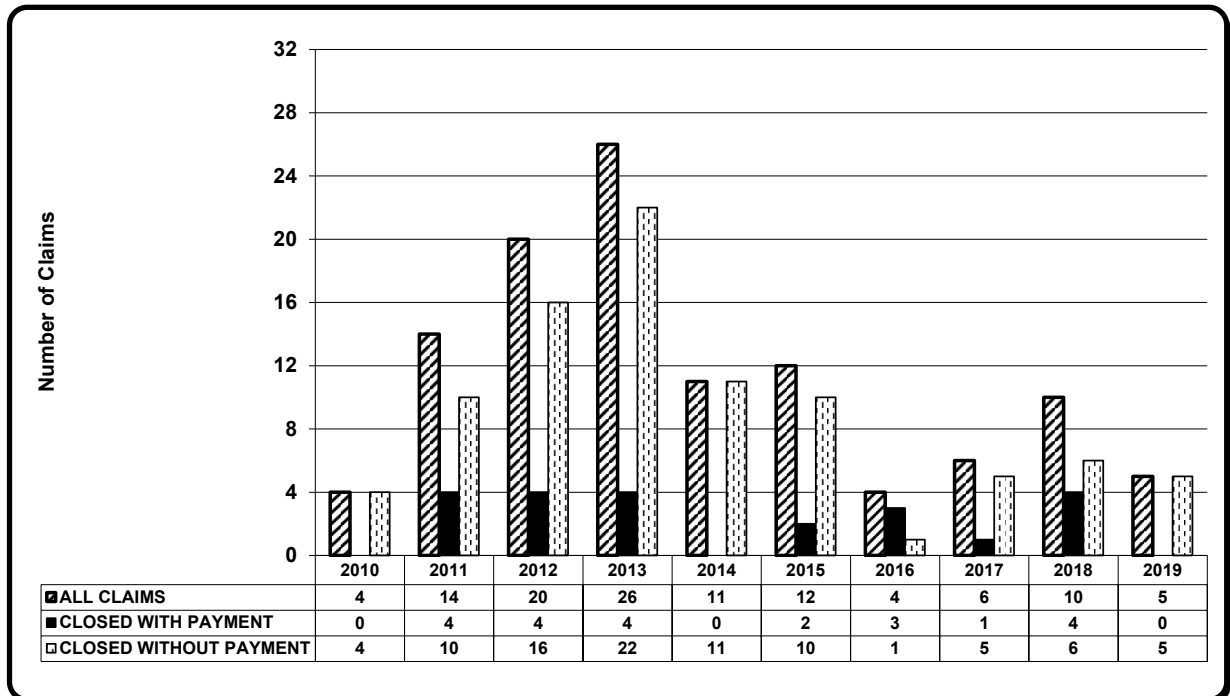


CORPORATE & BUSINESS ORGANIZATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

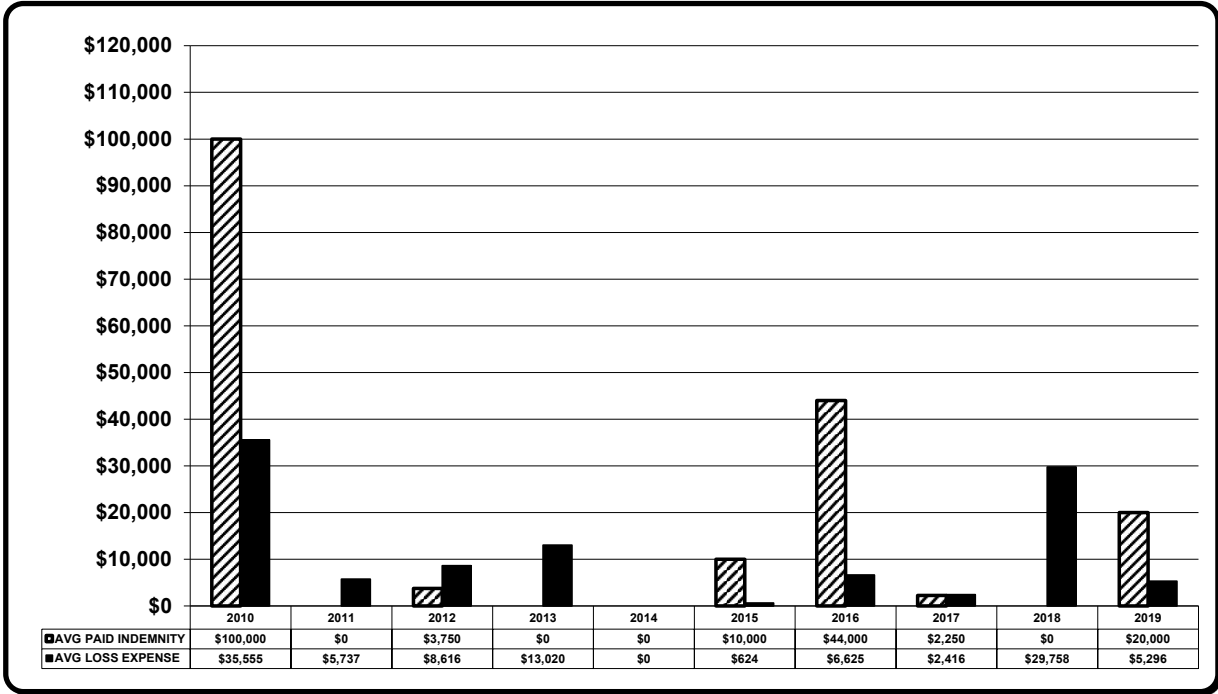


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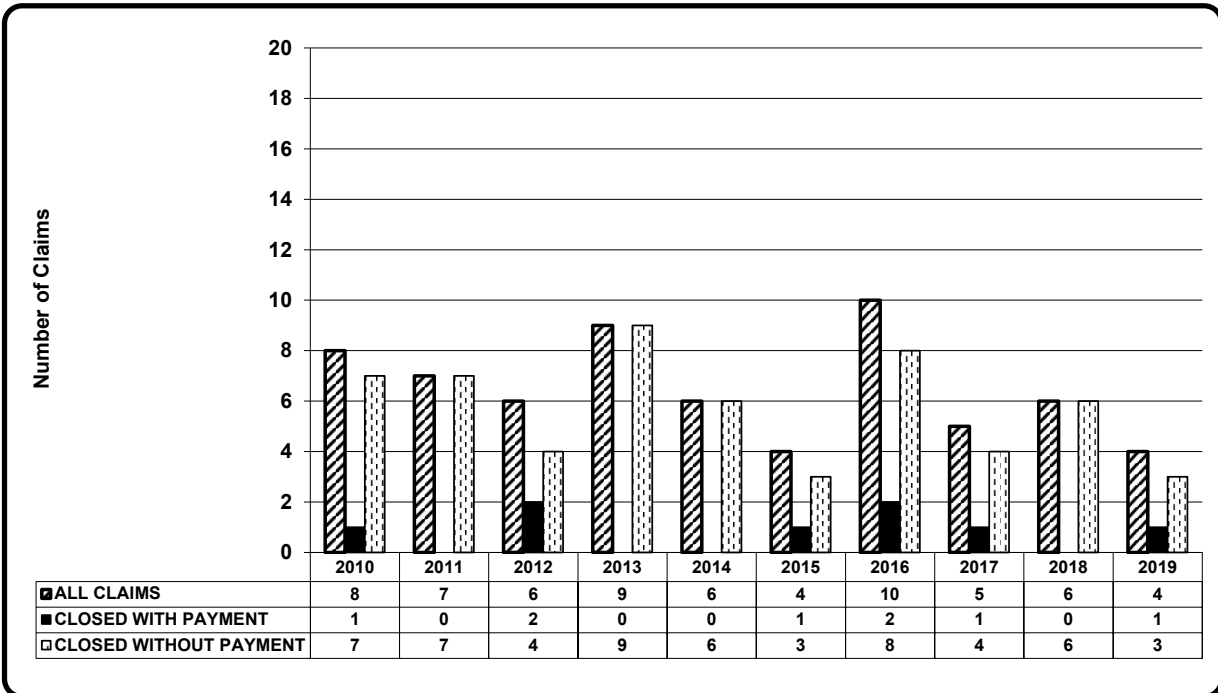


CRIMINAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

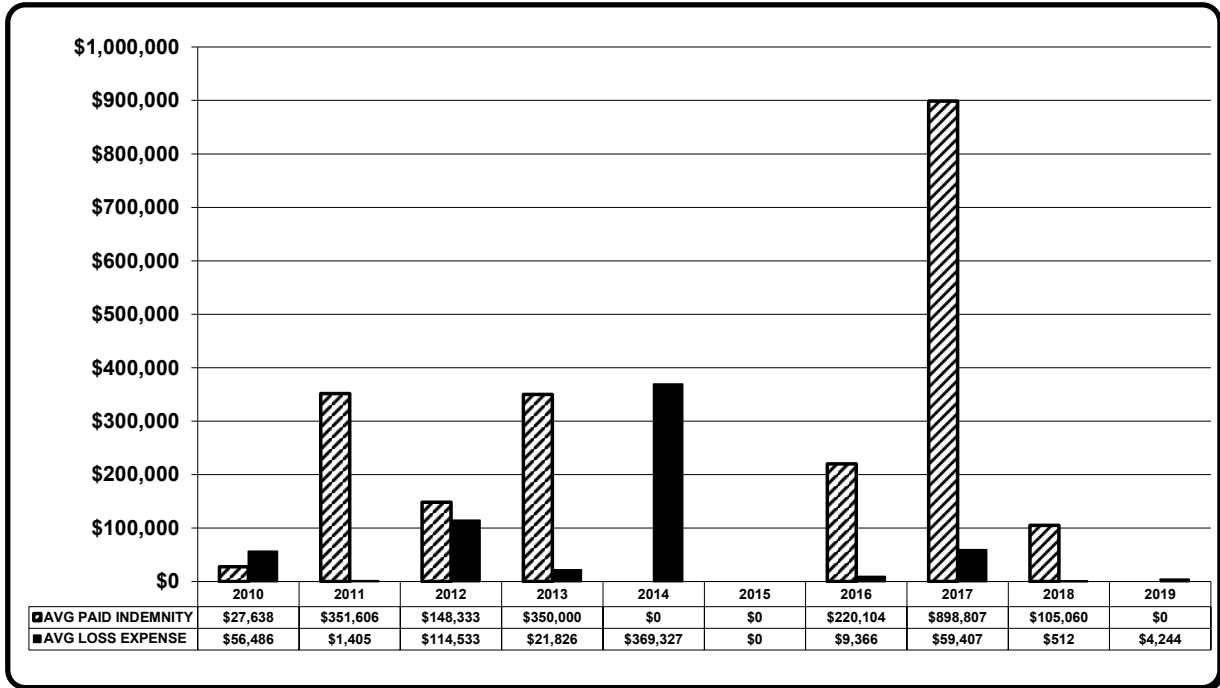


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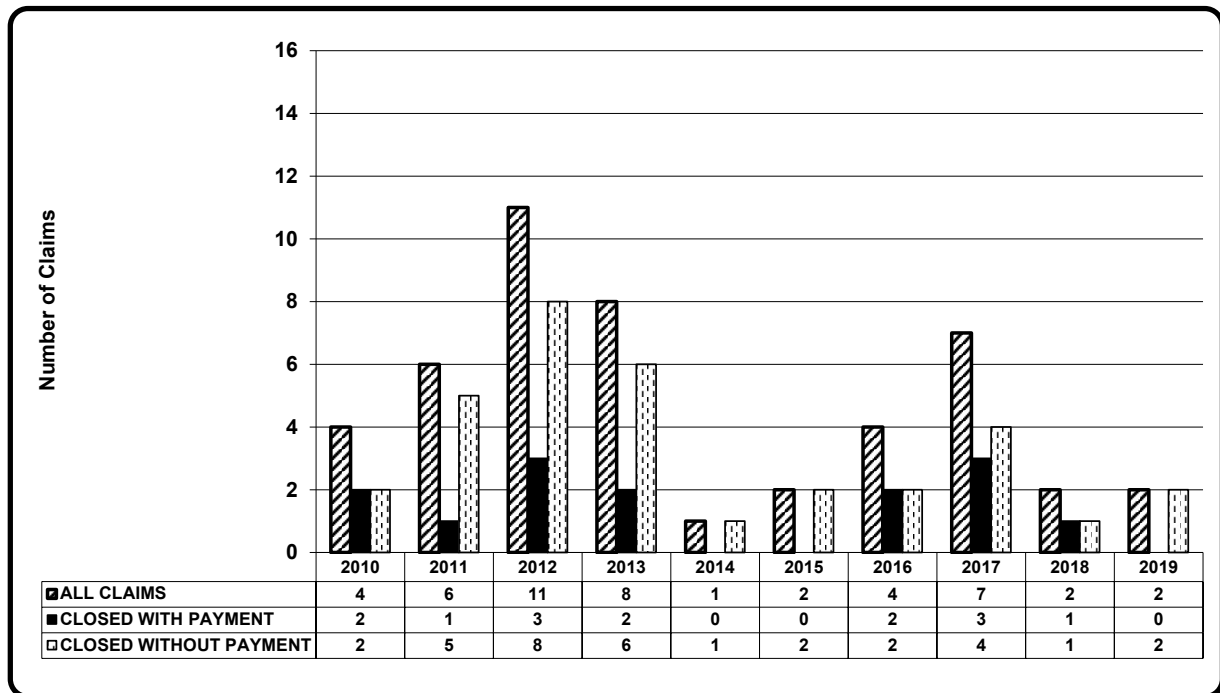


BI/PD - DEFENDANT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

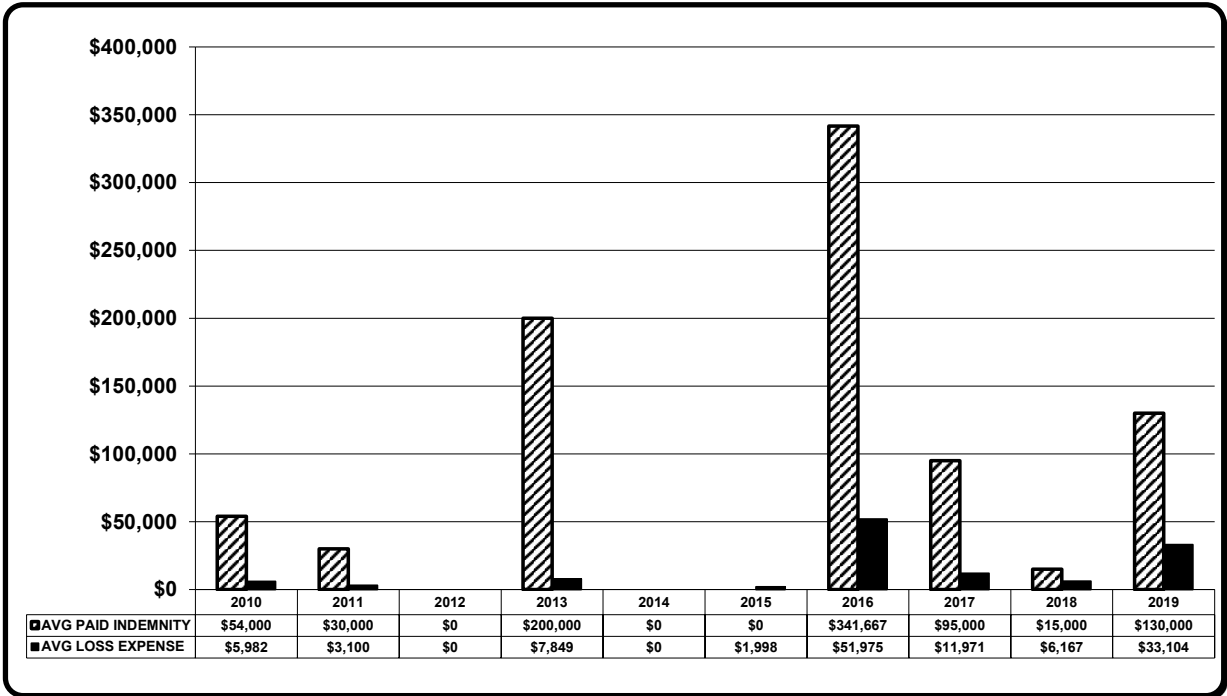


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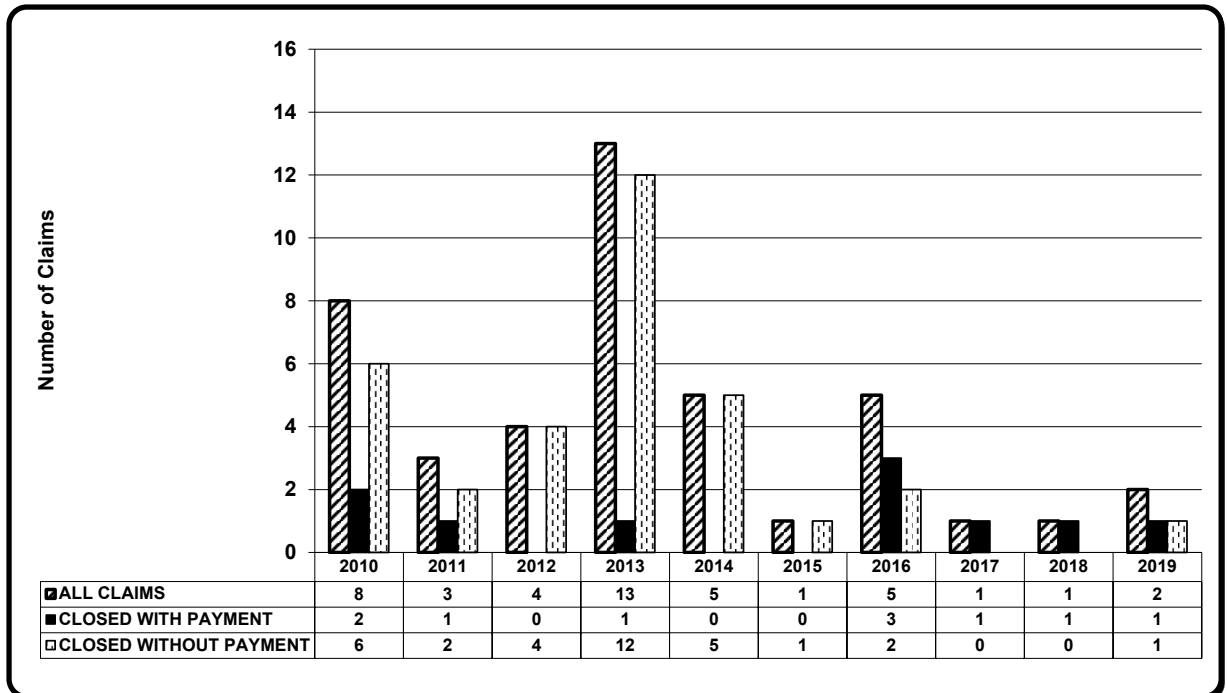


CIVIL RIGHTS & COMMISSION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2019 SUMMARY
BY
MAJOR ACTIVITY**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2010-2019

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
COMMENCEMENT OF ACTION OR PROCEEDING	590	128	25.50%	\$136,675	\$17,494,418	23.01%	\$16,586
OTHER	523	110	21.91%	\$128,038	\$14,084,175	18.52%	\$15,227
PREPARATION, TRANSMITTAL OR FILING	191	81	16.14%	\$96,648	\$7,828,503	10.30%	\$22,983
PRE-TRIAL, PRE-HEARING	178	61	12.15%	\$166,494	\$10,156,156	13.36%	\$36,104
SETTLEMENT AND NEGOTIATION	104	36	7.17%	\$250,378	\$9,013,620	11.85%	\$18,427
CONSULTATION OR ADVICE	98	25	4.98%	\$168,507	\$4,212,683	5.54%	\$36,141
TRIAL OR HEARING	48	18	3.59%	\$359,790	\$6,476,211	8.52%	\$38,629
INVESTIGATION, OTHER THAN LITIGATION	42	11	2.19%	\$113,520	\$1,248,725	1.64%	\$24,284
OTHER WRITTEN OPINION	34	7	1.39%	\$133,447	\$934,128	1.23%	\$26,037
APPEAL ACTIVITIES	28	6	1.20%	\$55,767	\$334,602	0.44%	\$11,420
POST TRIAL OR HEARING	26	8	1.59%	\$357,206	\$2,857,650	3.76%	\$26,552
EXPORTE PROCEEDINGS	11	2	0.40%	\$22,357	\$44,713	0.06%	\$23,500
TAX REPORTING OR PAYMENT	11	4	0.80%	\$119,673	\$478,693	0.63%	\$33,744
REFERRAL TO ANOTHER PROFESSIONAL	7	3	0.60%	\$107,667	\$323,000	0.42%	\$13,092
TITLE OPINION	2	2	0.40%	\$275,000	\$550,000	0.72%	\$39,466
TOTAL	1,893	502	100.00%	\$151,469	\$76,037,277	100.00%	\$20,916

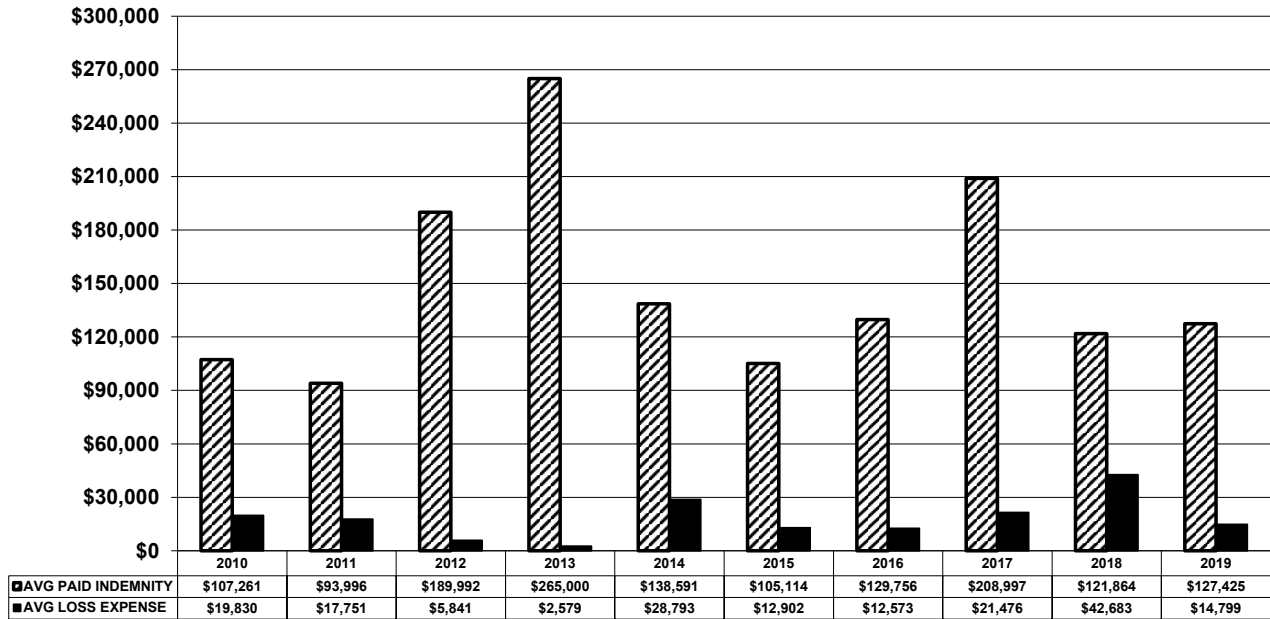
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2019

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
COMMENCEMENT OF ACTION OR PROCEED PREPARATION, TRANSMITTAL OR FILING	18	5	16.67%	\$127,425	\$637,127	9.30%	\$14,799
CONSULTATION OR ADVICE	17	8	26.67%	\$121,048	\$968,386	14.14%	\$16,519
PRE-TRIAL, PRE-HEARING	12	3	10.00%	\$76,416	\$229,249	3.35%	\$5,793
OTHER	10	4	13.33%	\$57,500	\$230,000	3.36%	\$7,683
INVESTIGATION, OTHER THAN LITIGATION	8	2	6.67%	\$482,500	\$965,000	14.09%	\$38,067
SETTLEMENT AND NEGOTIATION	5	0	0.00%	N/A	\$0	0.00%	\$14,672
TRIAL OR HEARING	5	4	13.33%	\$931,625	\$3,726,500	54.40%	\$53,811
APPEAL ACTIVITIES	4	2	6.67%	\$2,354	\$4,708	0.07%	\$2,579
EXPARTE PROCEEDINGS	3	1	3.33%	\$50,000	\$50,000	0.73%	\$5,088
OTHER WRITTEN OPINION	1	1	3.33%	\$39,713	\$39,713	0.58%	\$4,117
POST TRIAL OR HEARING	1	0	0.00%	N/A	\$0	0.00%	\$12,801
TOTAL	85	30	100.00%	\$228,356	\$6,850,683	100.00%	\$16,271

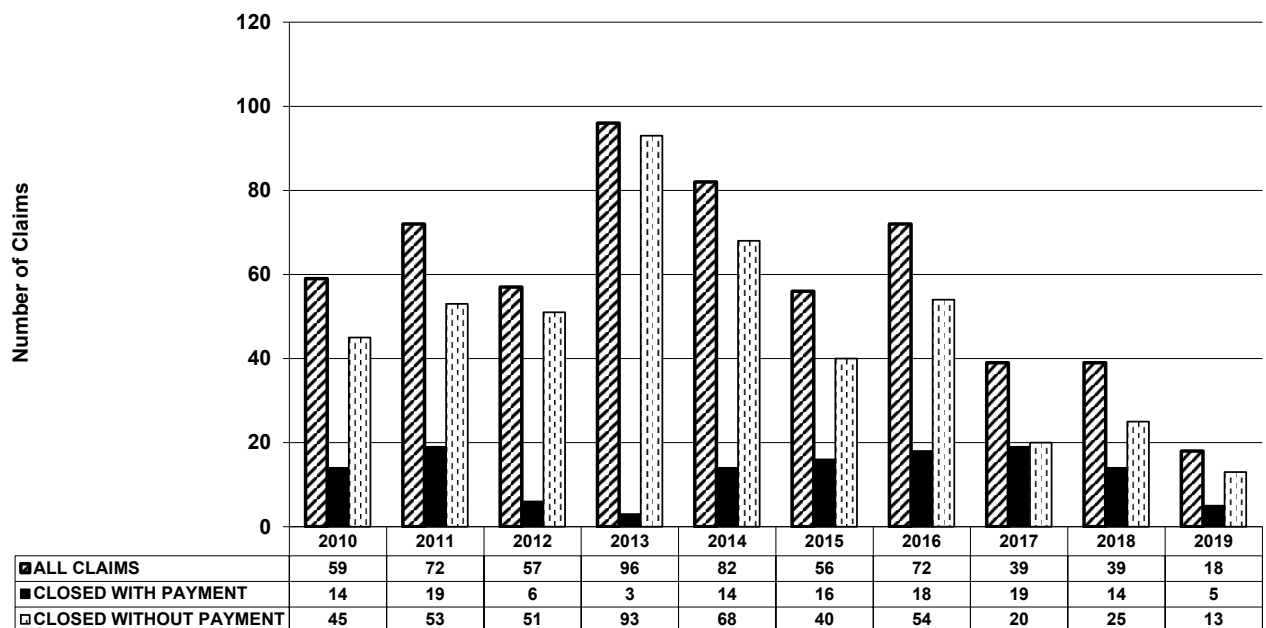
**TRENDS
OF THE TOP TEN
MAJOR ACTIVITY
OF 2019**

COMMENCEMENT OF ACTION OR PROCEEDING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

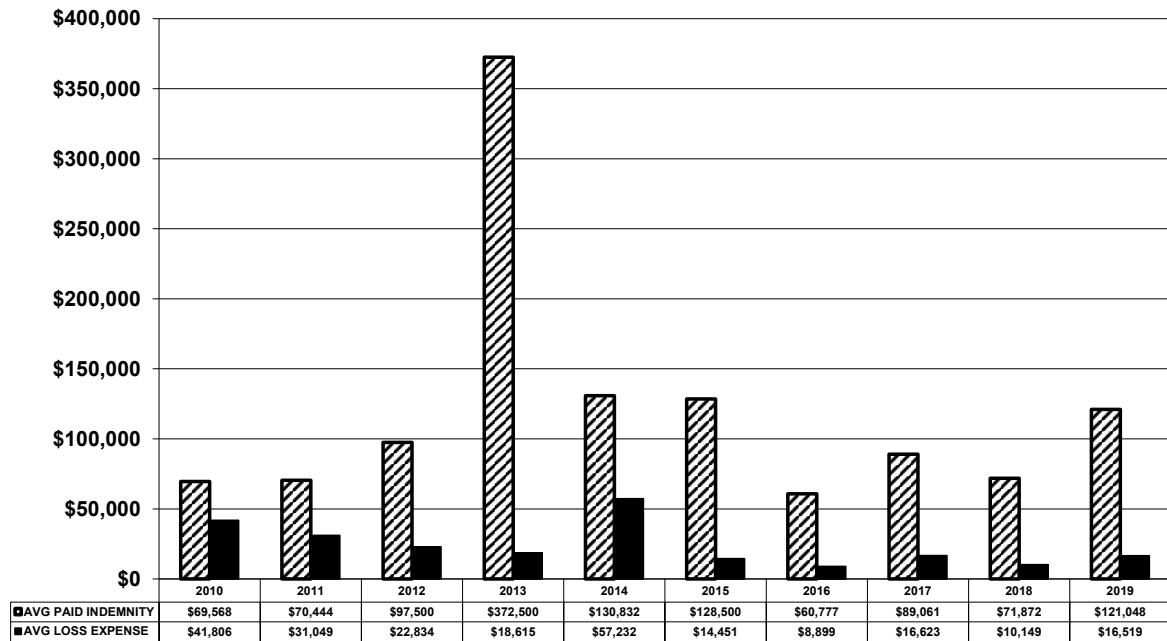


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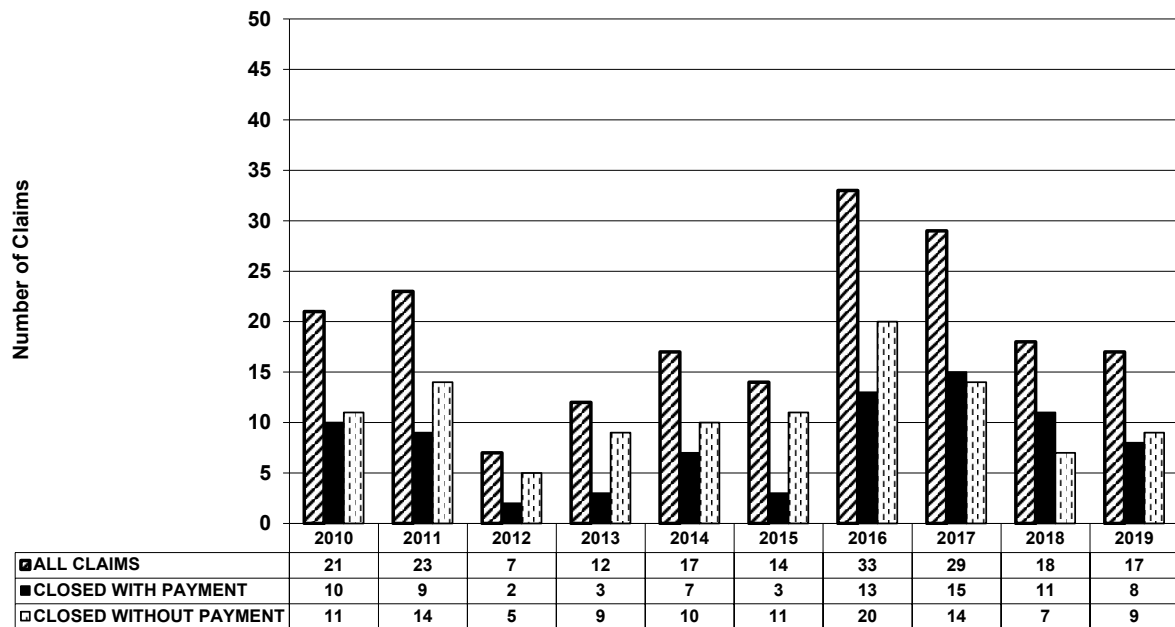


PREPARATION, TRANSMITTAL OR FILING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

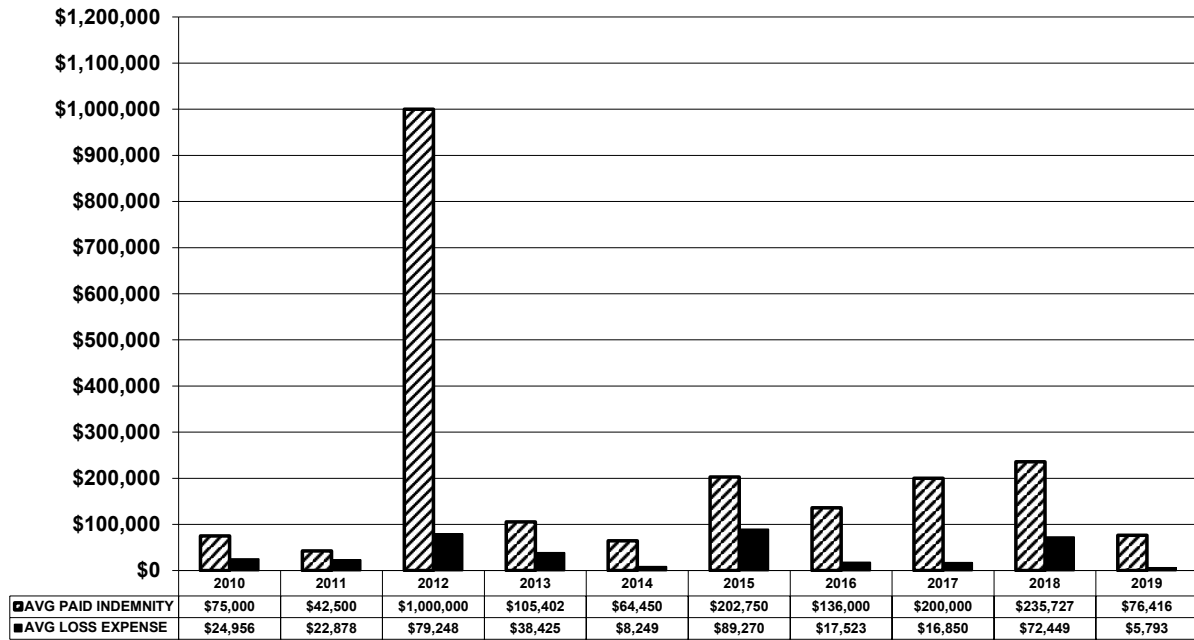


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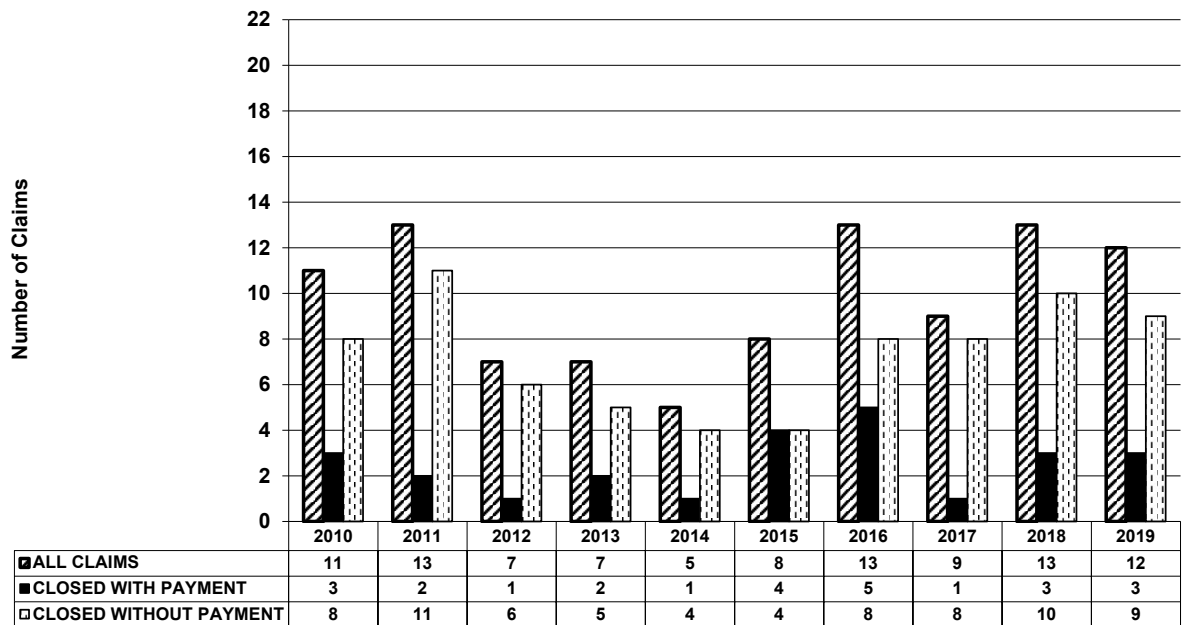


CONSULTATION OR ADVICE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

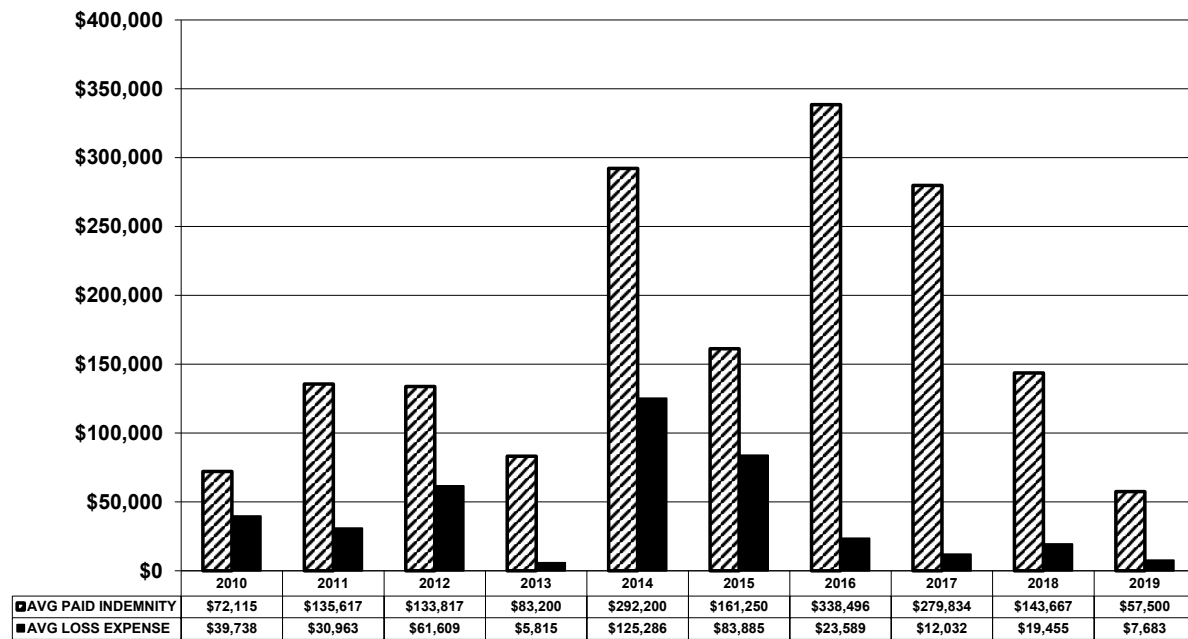


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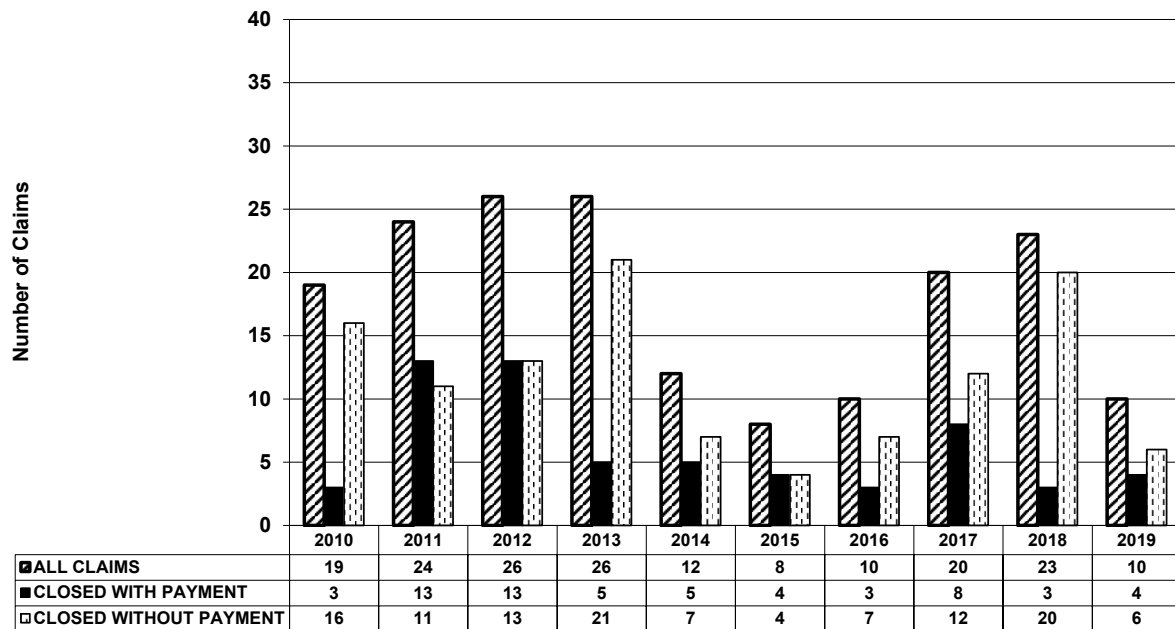


PRE-TRIAL, PRE-HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

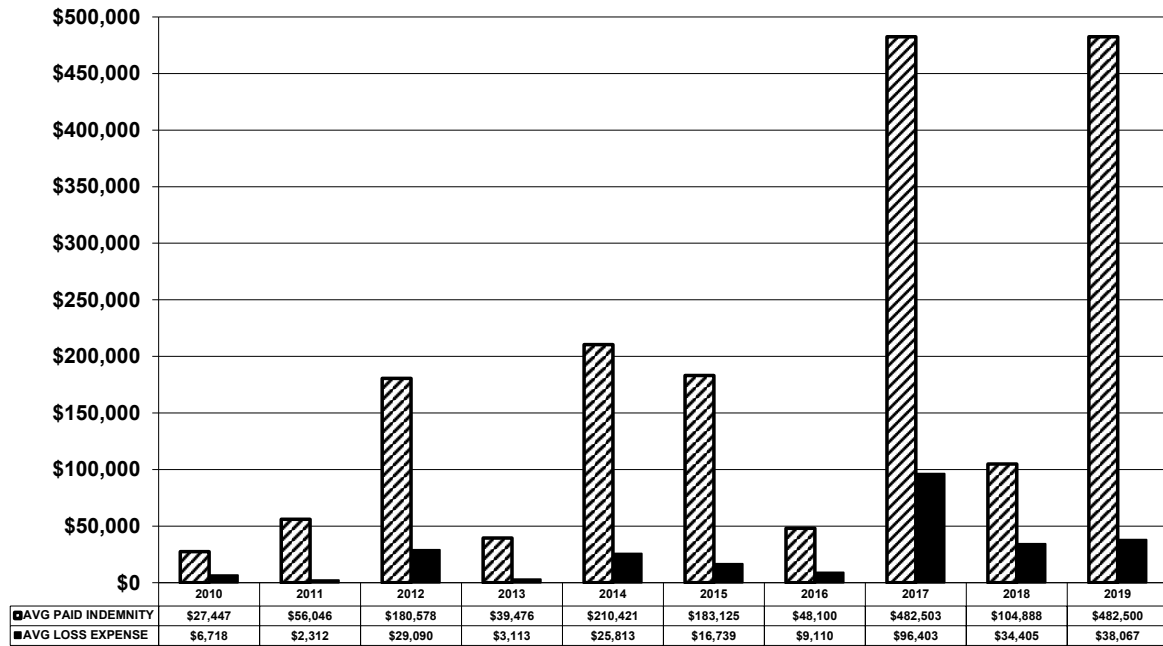


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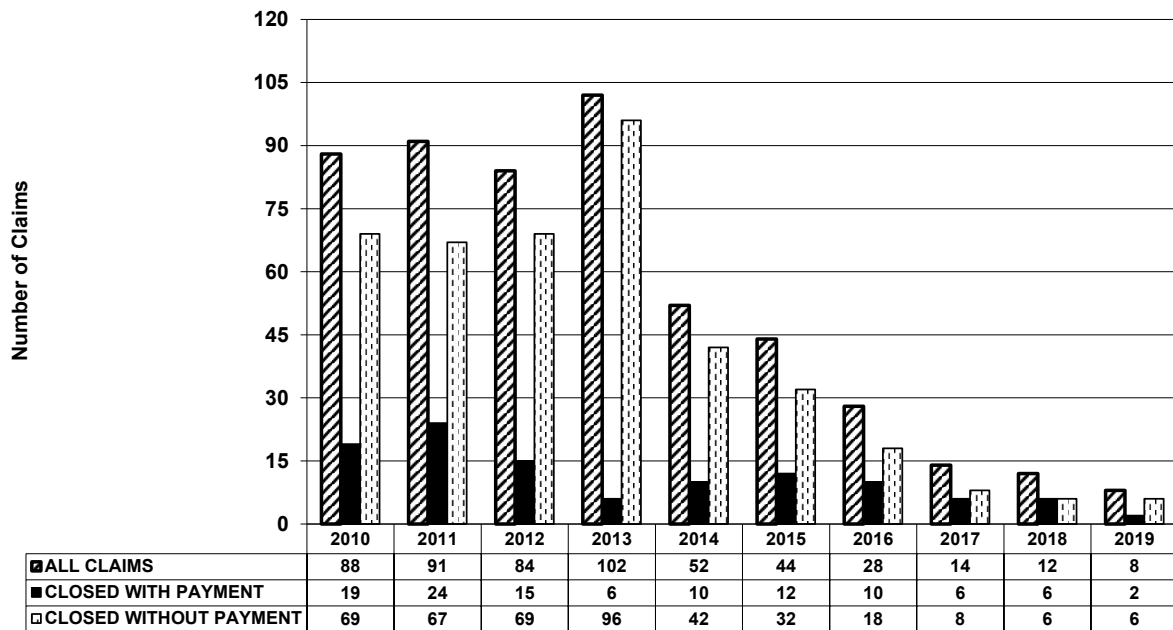


OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

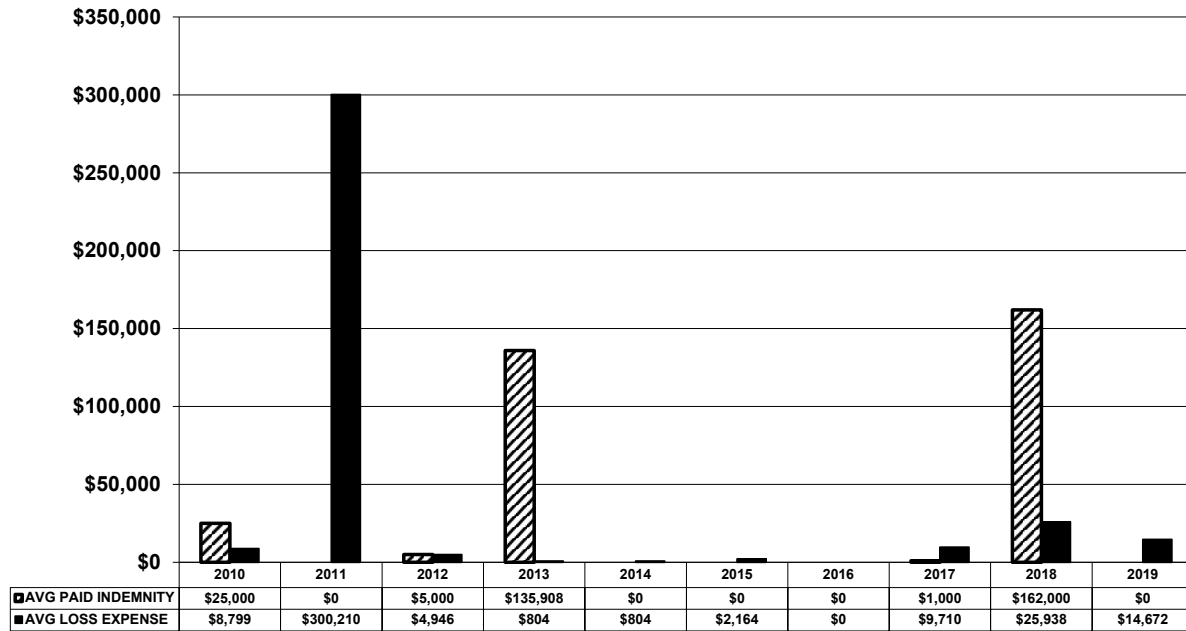


CLAIM COUNT

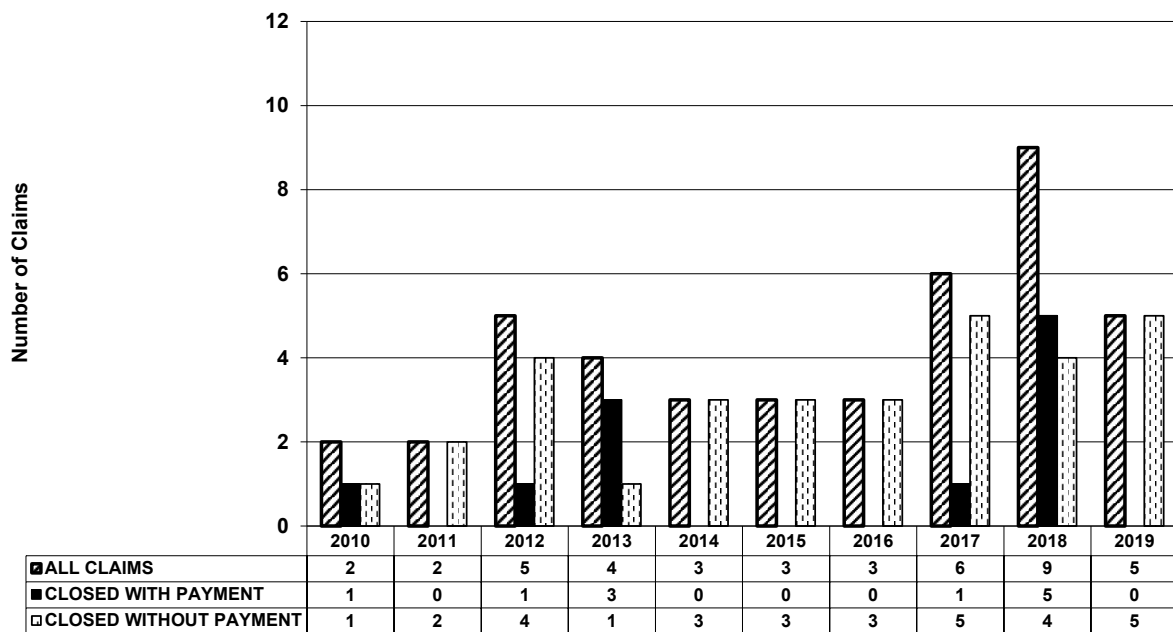


INVESTIGATION, OTHER THAN LITIGATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

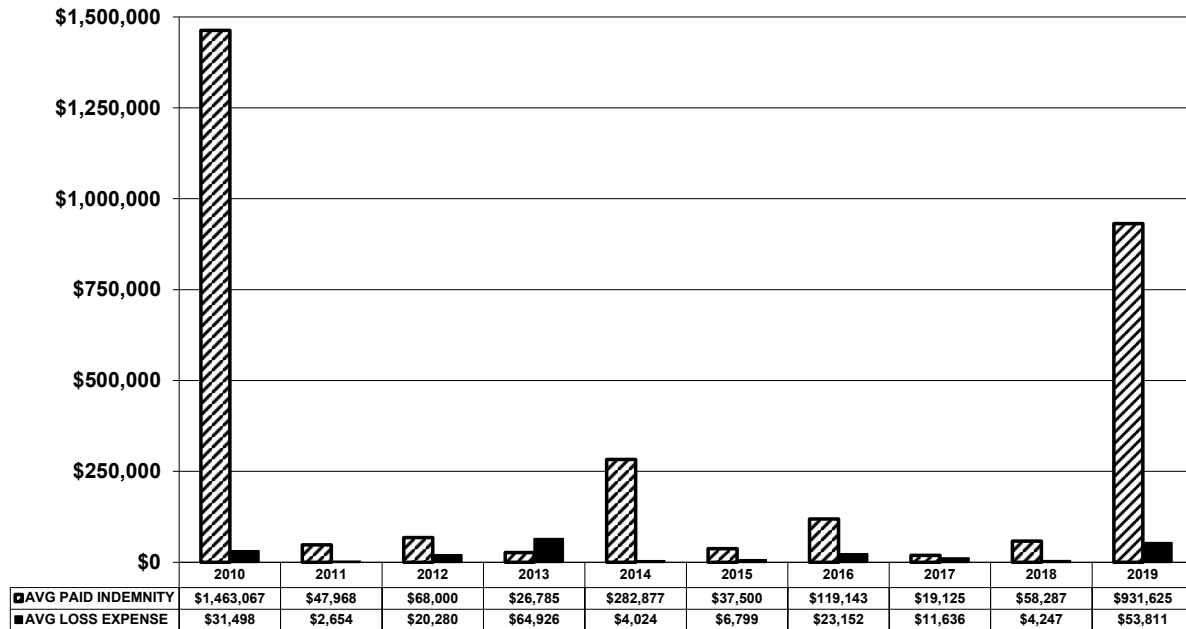


CLAIM COUNT

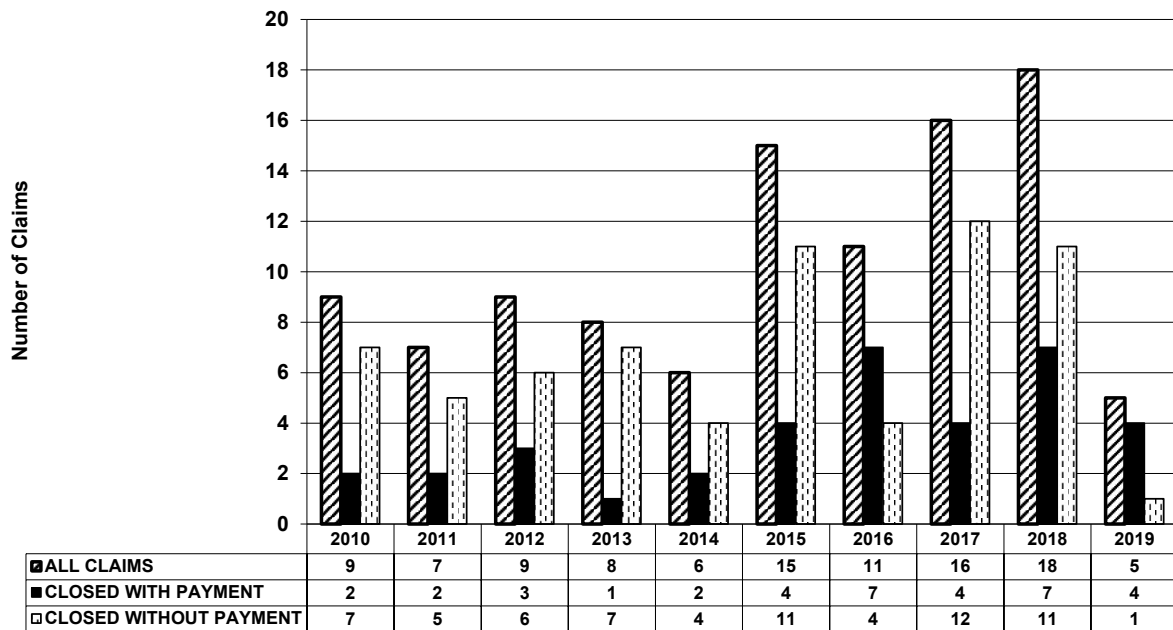


SETTLEMENT AND NEGOTIATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

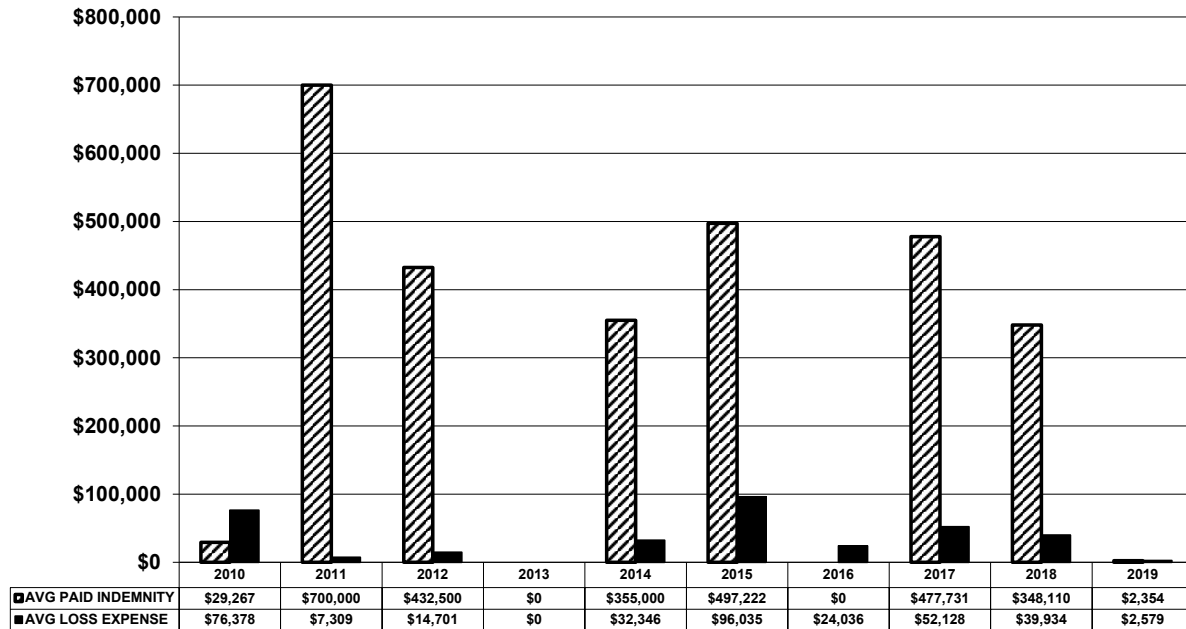


CLAIM COUNT

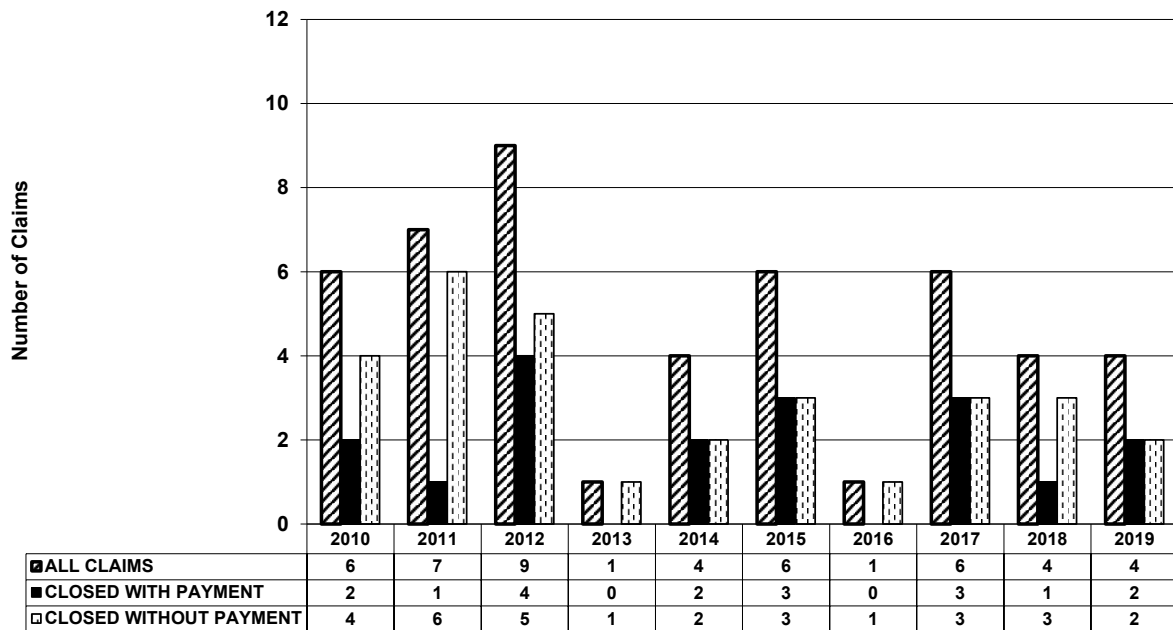


TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

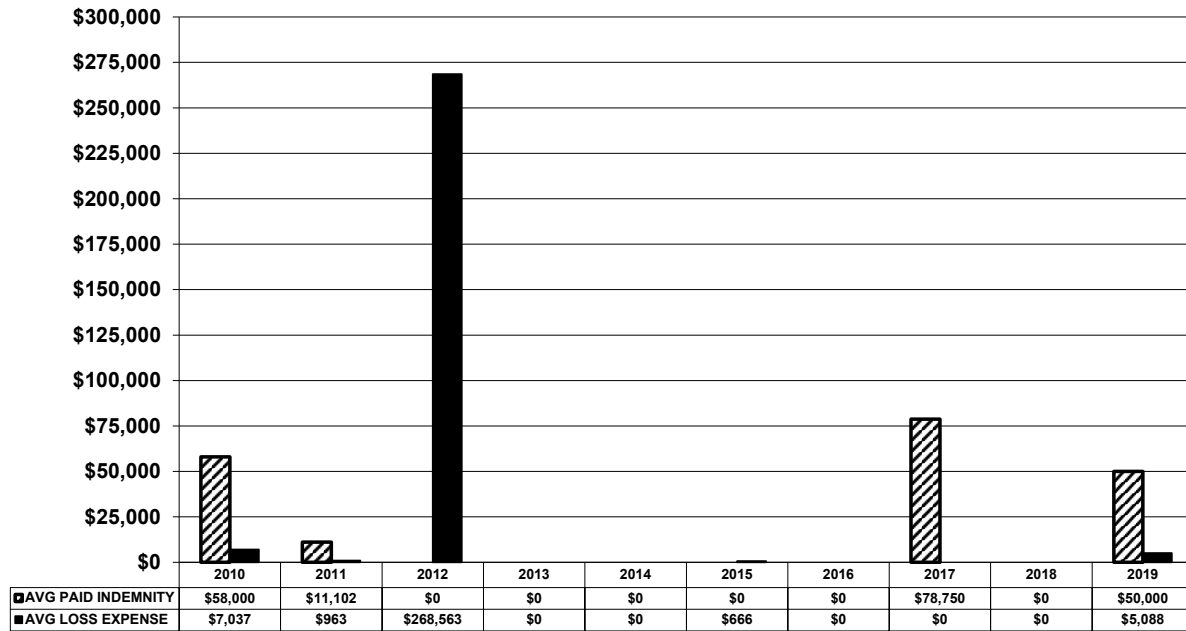


CLAIM COUNT

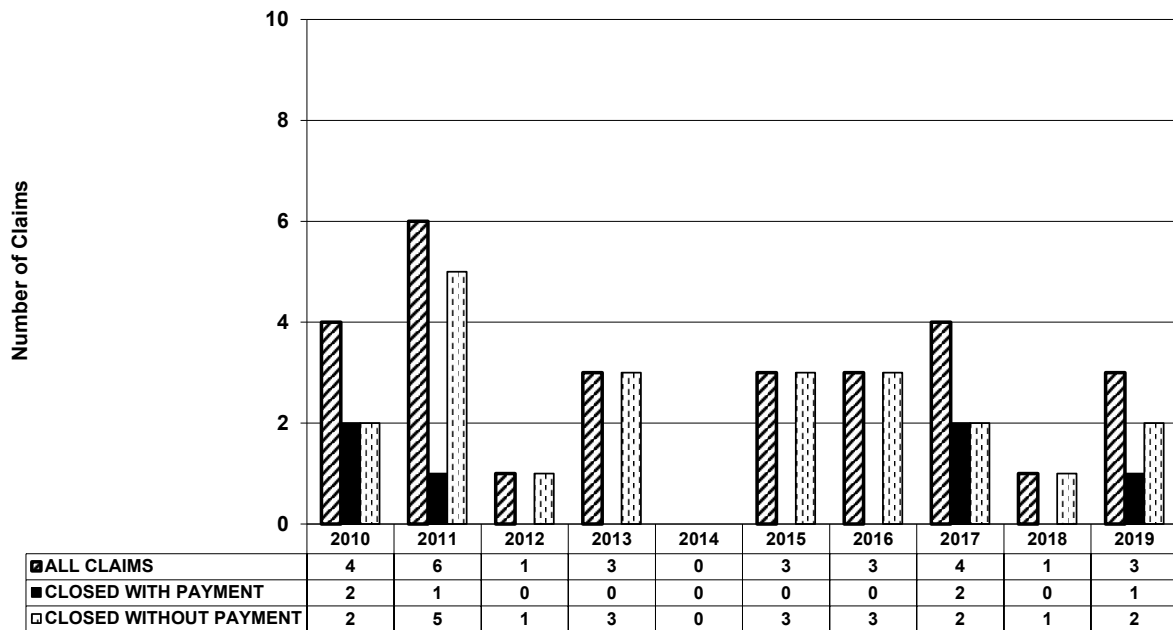


APPEALS ACTIVITIES

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

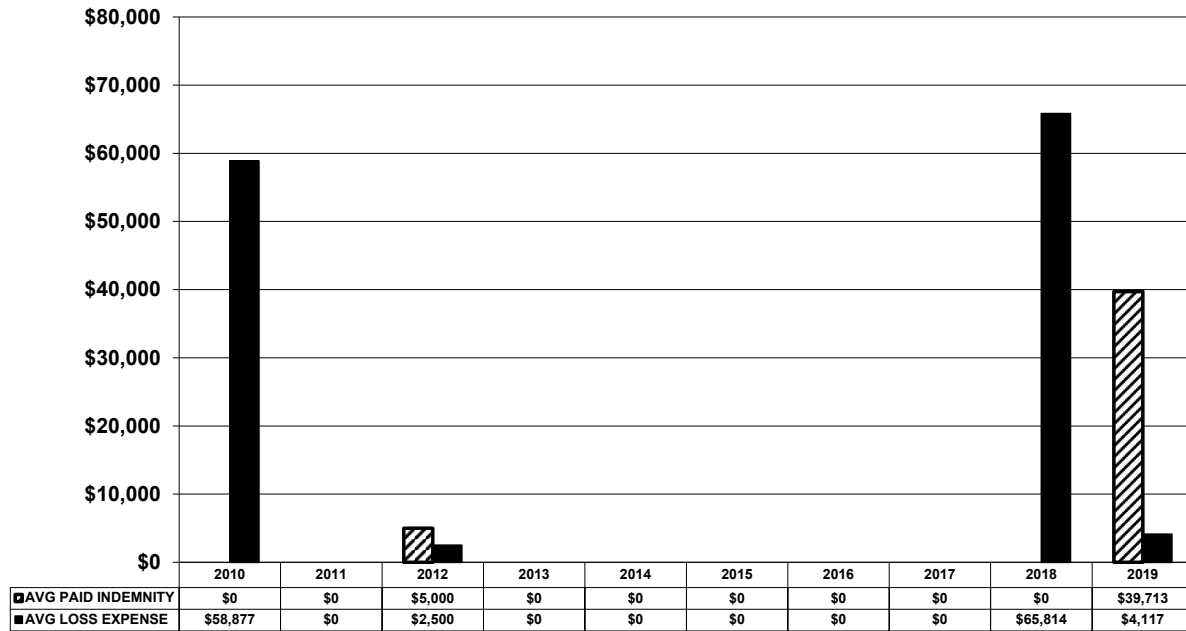


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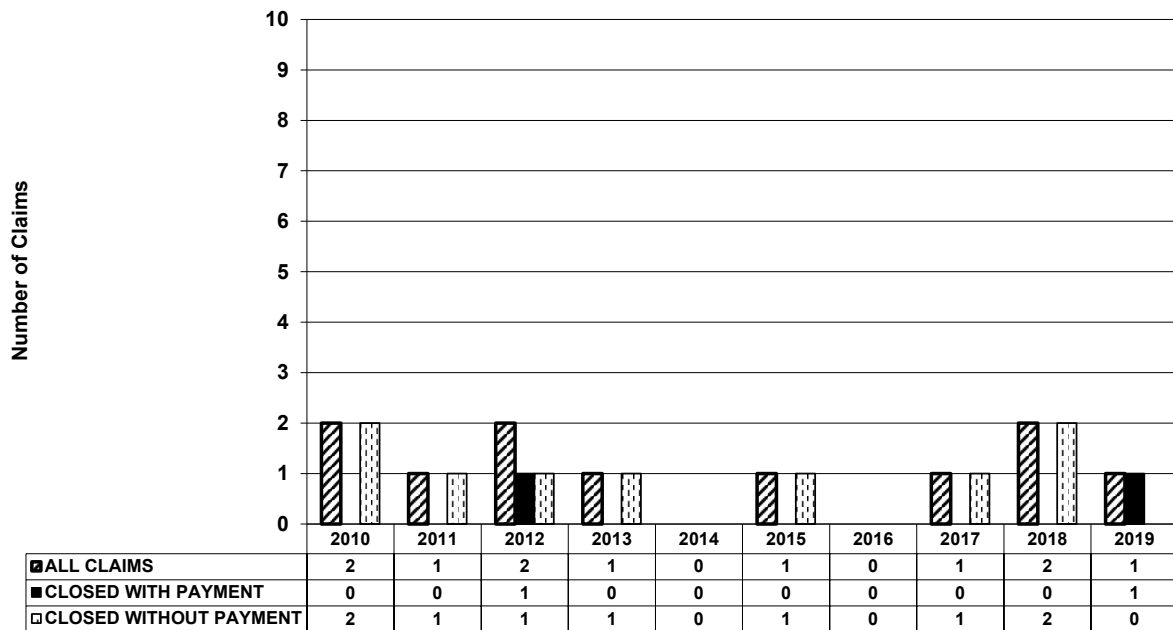


EXPARTE PROCEEDINGS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2019 SUMMARY
BY
ALLEGED ERRORS OR OMISSIONS**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2010-2019

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OTHER	439	54	10.76%	\$91,964	\$4,966,056	6.53%	\$11,983
FAIL TO ASCERTAIN DEADLINE CORRECTLY	236	74	14.74%	\$148,398	\$10,981,474	14.44%	\$7,229
PLANNING OR STRATEGY ERROR	207	61	12.15%	\$270,245	\$16,484,922	21.68%	\$27,152
FAIL TO KNOW OR PROPERLY APPLY THE LAW	170	58	11.55%	\$129,254	\$7,496,705	9.86%	\$24,246
INADEQUATE INVESTIGATION	127	43	8.57%	\$141,375	\$6,079,116	7.99%	\$33,045
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	91	22	4.38%	\$175,071	\$3,851,569	5.07%	\$19,387
FRAUD	83	19	3.78%	\$113,356	\$2,153,766	2.83%	\$42,753
PROCRASTINATION OR LACK OF FOLLOW-UP	78	21	4.18%	\$205,374	\$4,312,852	5.67%	\$20,120
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	74	18	3.59%	\$39,991	\$719,833	0.95%	\$29,800
CONFLICT OF INTEREST	68	24	4.78%	\$268,585	\$6,446,051	8.48%	\$76,290
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	63	24	4.78%	\$47,410	\$1,137,840	1.50%	\$12,260
FAILURE TO CALENDAR PROPERLY	54	32	6.37%	\$132,840	\$4,250,866	5.59%	\$14,748
FAIL TO OBTAIN CLIENTS CONSENT	40	6	1.20%	\$486,694	\$2,920,161	3.84%	\$24,134
VIOLATION OF CIVIL RIGHTS	32	5	1.00%	\$70,120	\$350,600	0.46%	\$9,807
CLERICAL ERROR	31	10	1.99%	\$57,584	\$575,842	0.76%	\$15,246
FAILURE TO REACT TO CALENDAR	29	11	2.19%	\$90,846	\$999,307	1.31%	\$4,479
ERROR IN MATHEMATICAL CALCULATION	17	9	1.79%	\$52,294	\$470,648	0.62%	\$14,154
IMPROPER WITHDRAWAL FROM REPRESENTATION	16	2	0.40%	\$23,750	\$47,500	0.06%	\$5,164
FAIL TO ANTICIPATE TAX CONSEQUENCES	14	4	0.80%	\$373,417	\$1,493,669	1.96%	\$29,290
LIBEL OR SLANDER	14	2	0.40%	\$35,000	\$70,000	0.09%	\$11,164
ERROR IN PUBLIC RECORD SEARCH	6	2	0.40%	\$16,750	\$33,500	0.04%	\$5,937
LOST FILE, DOCUMENT OR EVIDENCE	3	1	0.20%	\$195,000	\$195,000	0.26%	\$12,477
NOT SPECIFIED	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	1,893	502	100.00%	\$151,469	\$76,037,277	100.00%	\$20,916

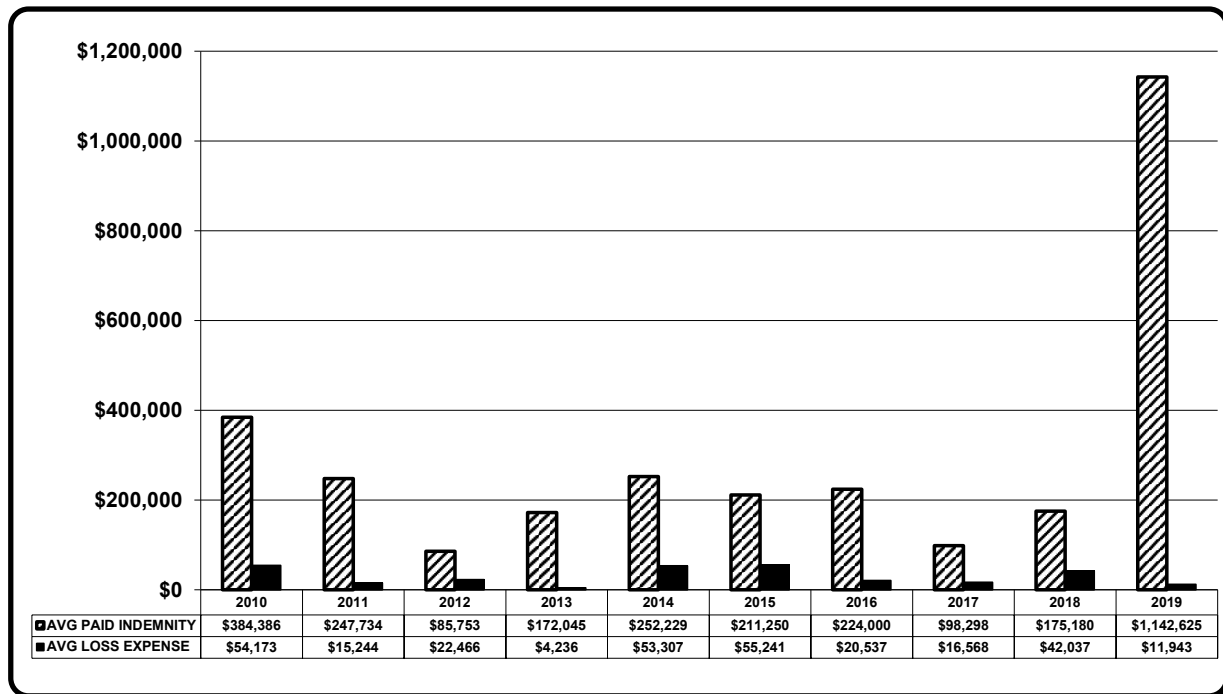
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2019

ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
PLANNING OR STRATEGY ERROR	13	4	13.33%	\$1,142,625	\$4,570,500	66.72%	\$11,943
INADEQUATE INVESTIGATION	10	2	6.67%	\$64,224	\$128,447	1.87%	\$30,083
OTHER	10	3	10.00%	\$8,071	\$24,213	0.35%	\$3,242
MALICIOUS PROSECUTION OR ABUSE OF PROCESS	9	4	13.33%	\$42,750	\$171,000	2.50%	\$31,174
FAIL TO KNOW OR PROPERLY APPLY THE LAW	7	3	10.00%	\$72,164	\$216,492	3.16%	\$7,274
FAIL TO ASCERTAIN DEADLINE CORRECTLY	6	4	13.33%	\$65,532	\$262,127	3.83%	\$4,189
FAIL TO FOLLOW CLIENTS INSTRUCTIONS	6	4	13.33%	\$204,331	\$817,323	11.93%	\$9,360
CONFLICT OF INTEREST	4	1	3.33%	\$130,000	\$130,000	1.90%	\$74,715
CLERICAL ERROR	3	0	0.00%	N/A	\$0	0.00%	\$454
FAILURE TO CALENDAR PROPERLY	3	2	6.67%	\$226,873	\$453,745	6.62%	\$3,886
IMPROPER WITHDRAWAL FROM REPRESENTATION	3	0	0.00%	N/A	\$0	0.00%	\$16,157
PROCRASTINATION OR LACK OF FOLLOW-UP	3	0	0.00%	N/A	\$0	0.00%	\$37,080
FAIL TO OBTAIN CLIENTS CONSENT	2	0	0.00%	N/A	\$0	0.00%	\$456
FAILURE TO REACT TO CALENDAR	2	1	3.33%	\$10,313	\$10,313	0.15%	\$0
ERROR IN MATHEMATICAL CALCULATION	1	1	3.33%	\$39,713	\$39,713	0.58%	\$4,117
FAIL TO FILE DOCUMENTS WITH NO DEADLINE	1	1	3.33%	\$26,810	\$26,810	0.39%	\$0
LIBEL OR SLANDER	1	0	0.00%	N/A	\$0	0.00%	\$0
VIOLATION OF CIVIL RIGHTS	1	0	0.00%	N/A	\$0	0.00%	\$5,106
TOTAL	85	30	100.00%	\$228,356	\$6,850,683	100.00%	\$16,271

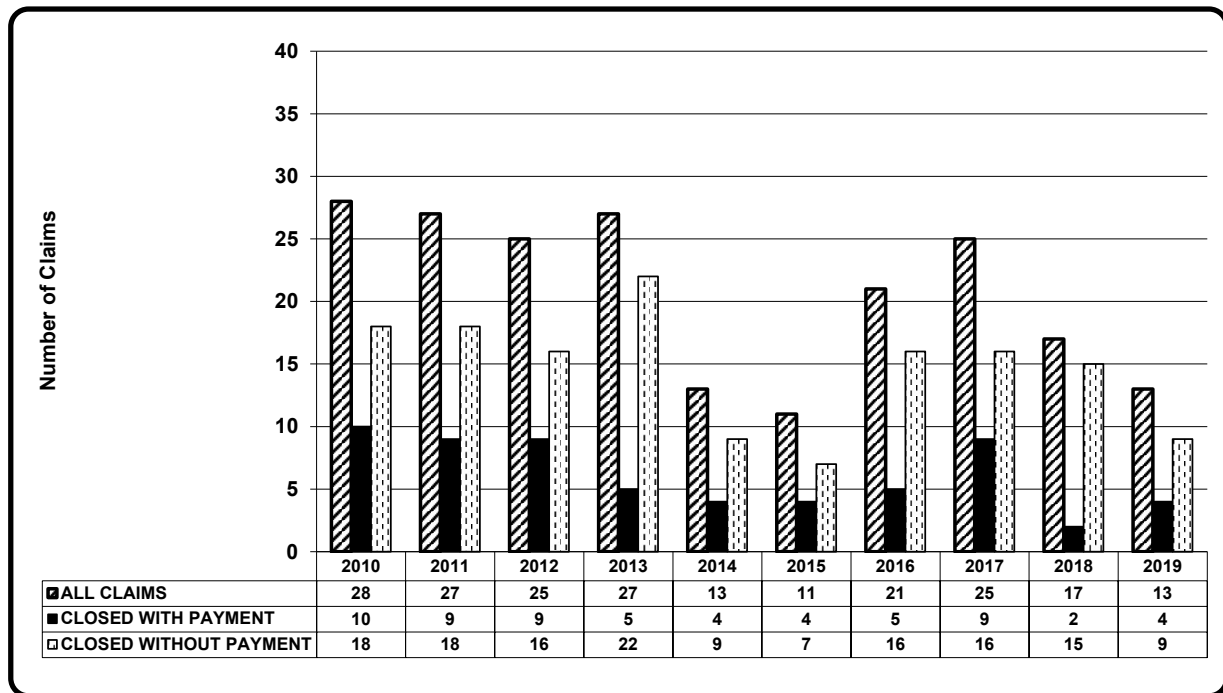
**TRENDS
OF THE TOP TEN
ERRORS OR OMISSIONS
OF 2019**

PLANNING OR STRATEGY ERROR

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

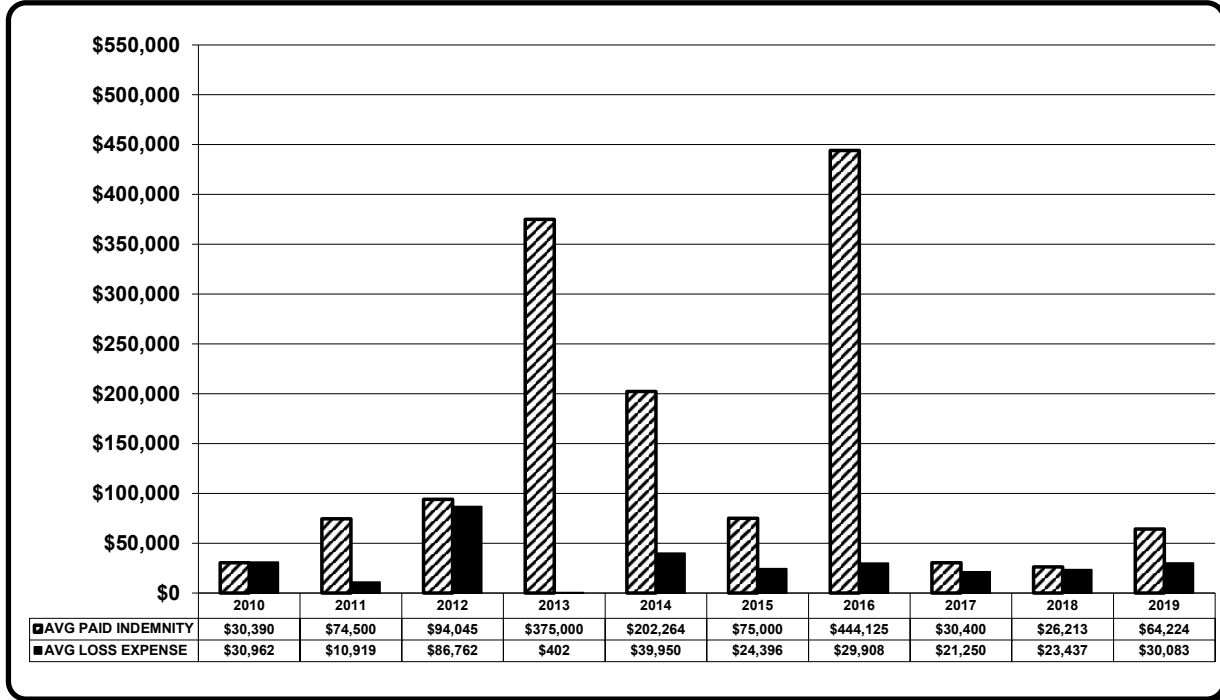


CLAIM COUNT

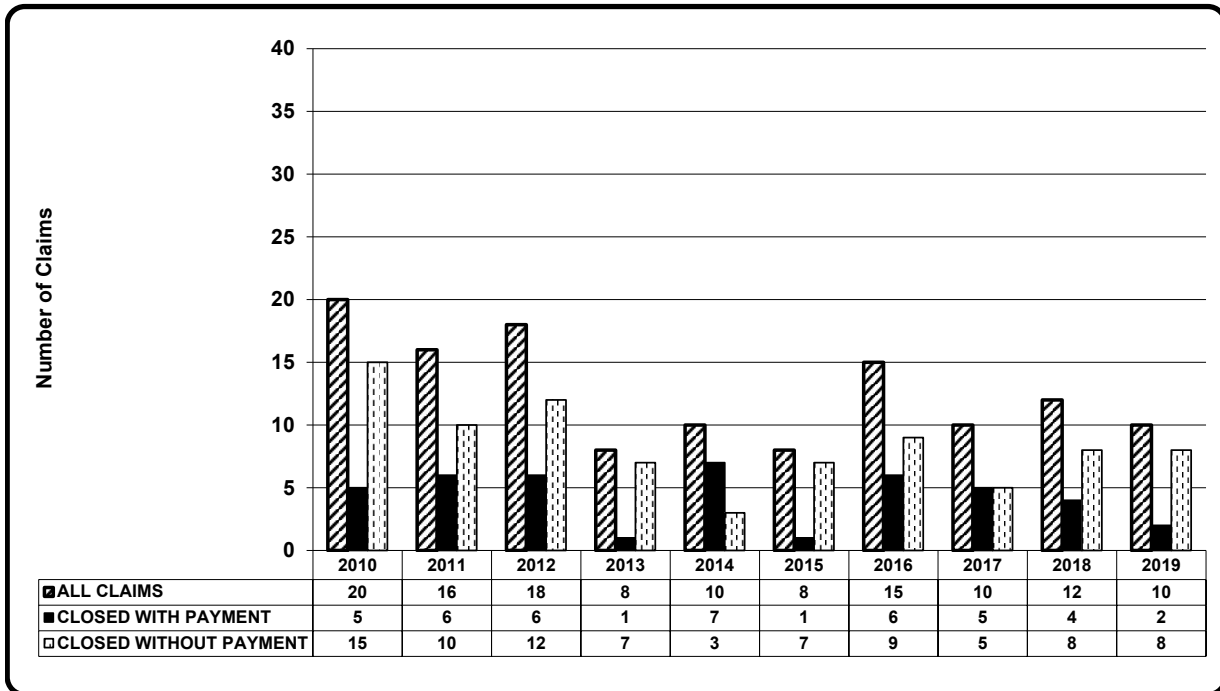


INADEQUATE INVESTIGATION

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

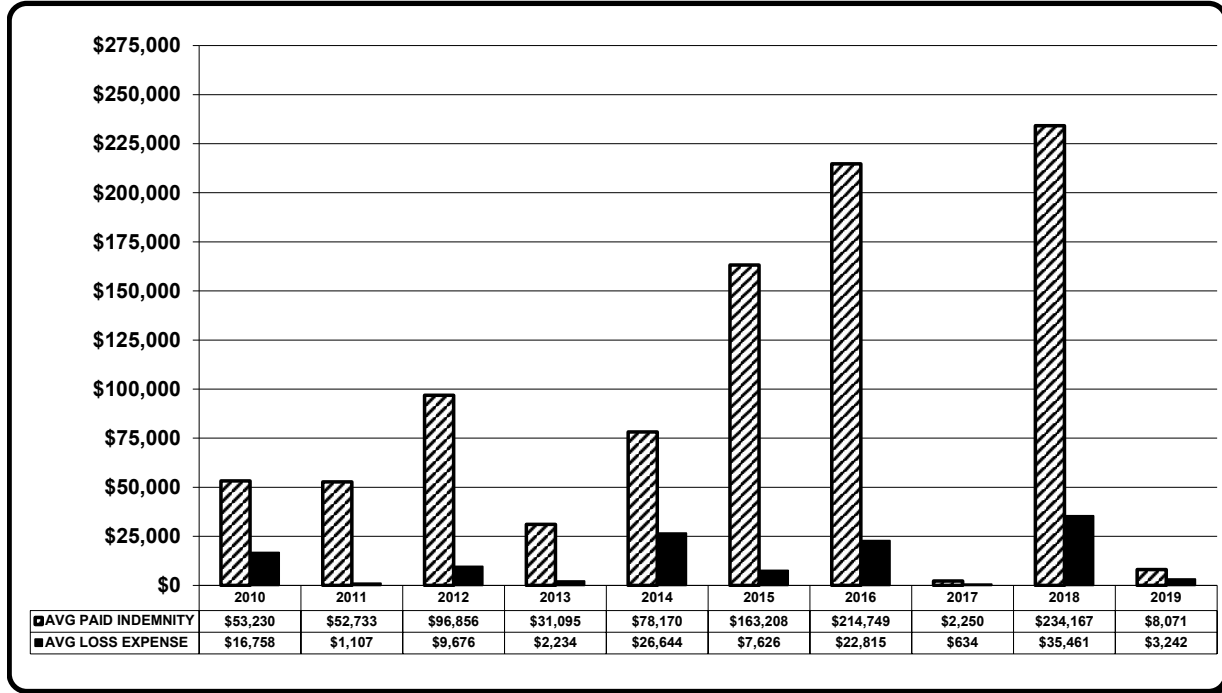


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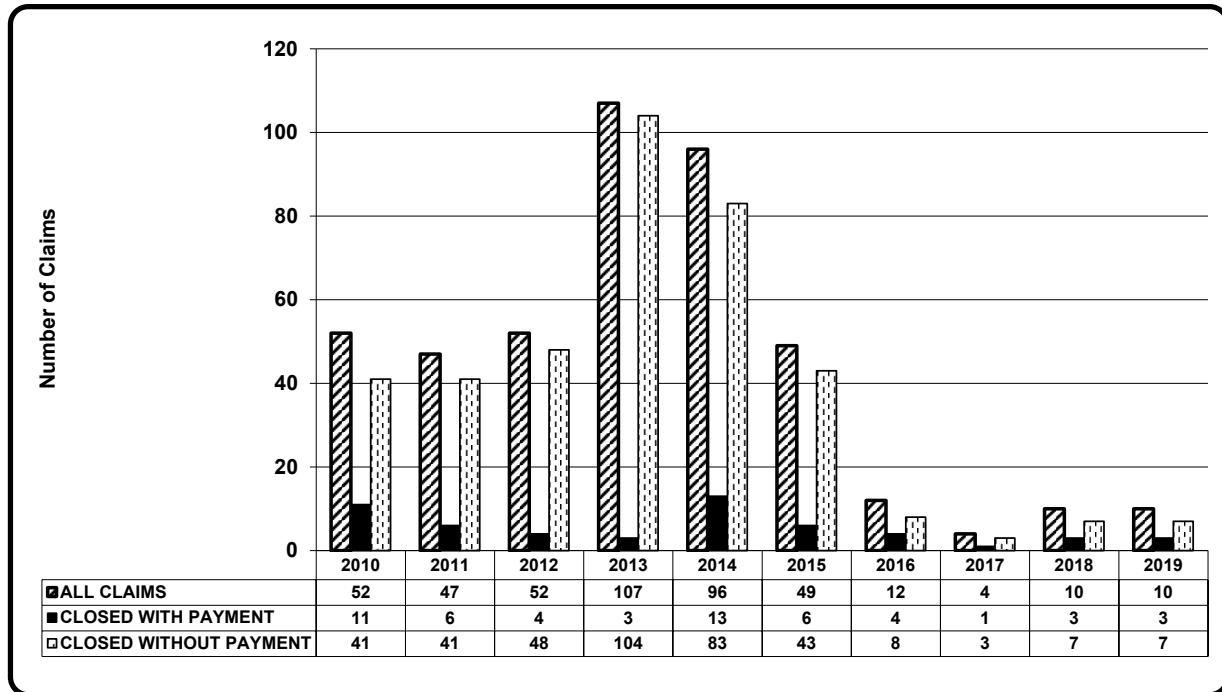


OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

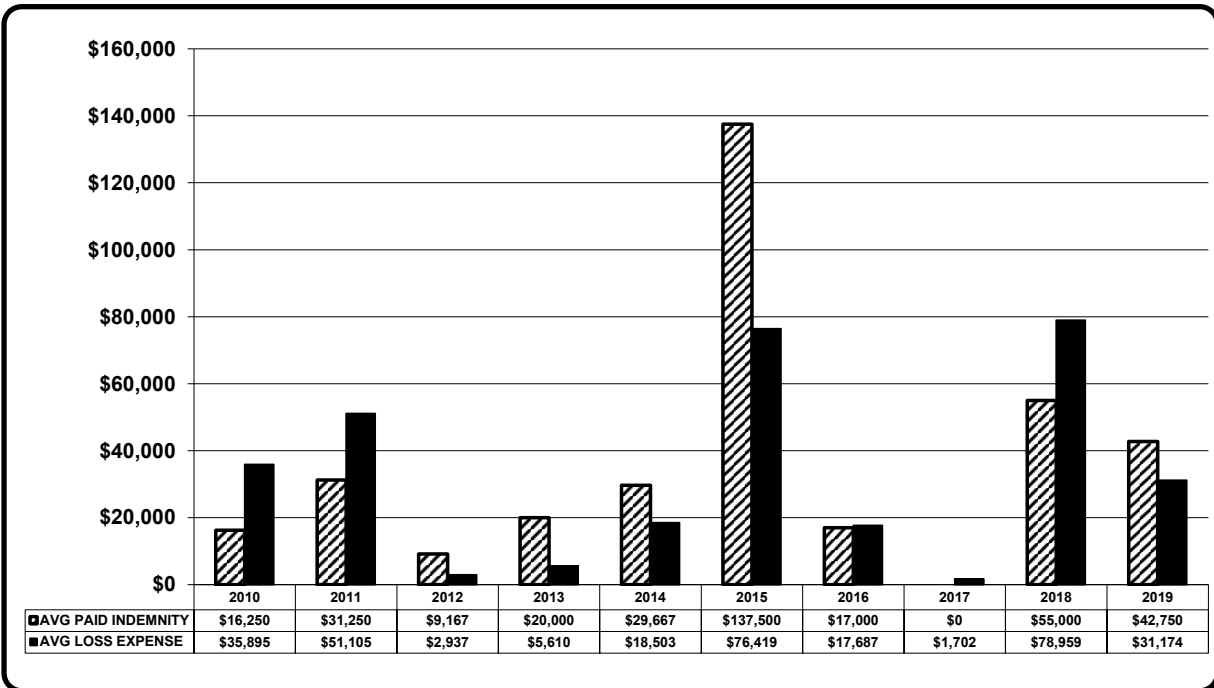


CLAIM COUNT

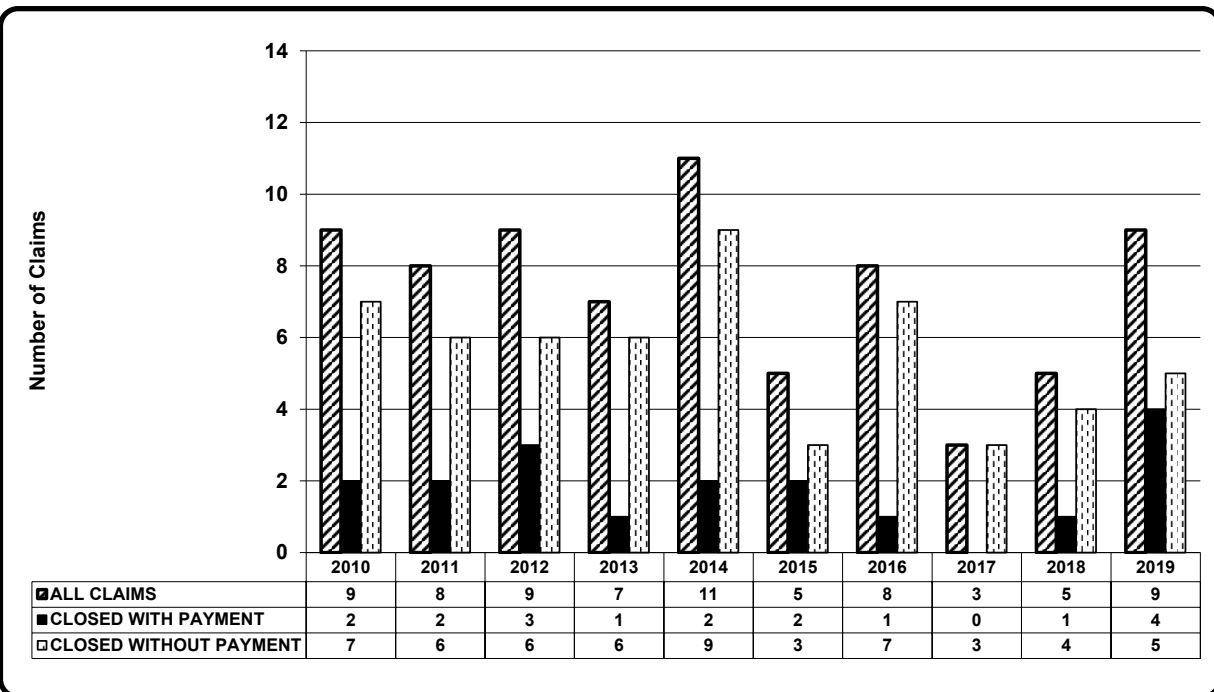


MALICIOUS PROSECUTION OR ABUSE OF PROCESS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

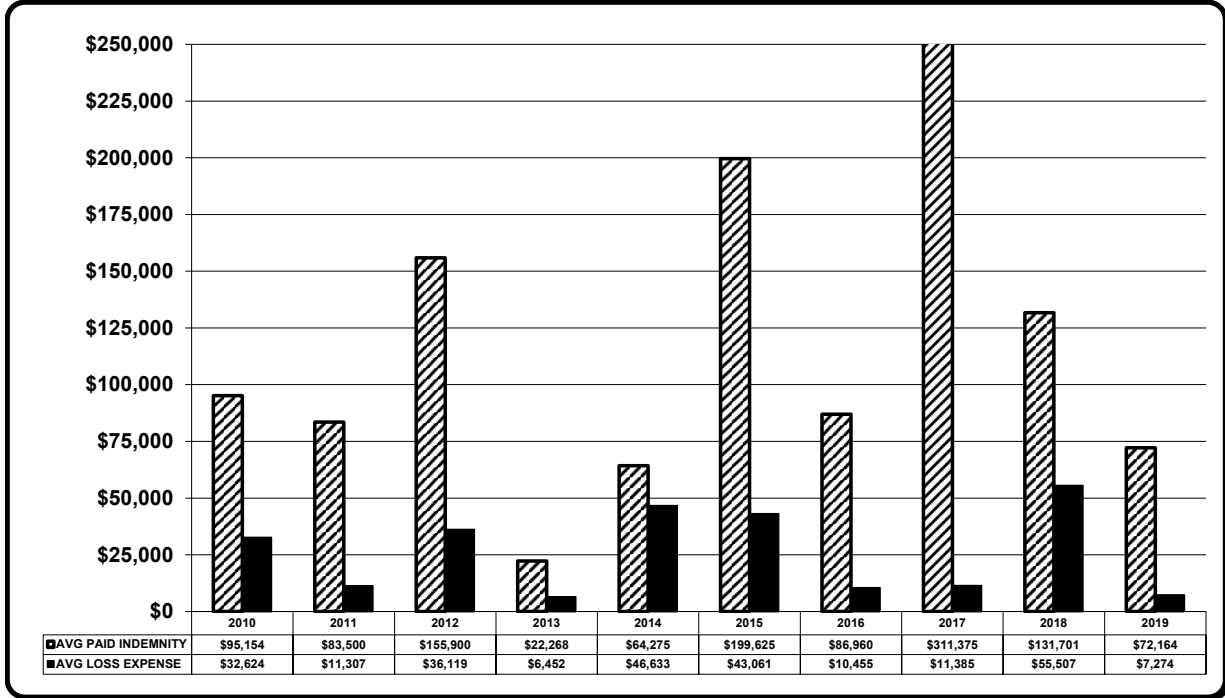


CLAIM COUNT

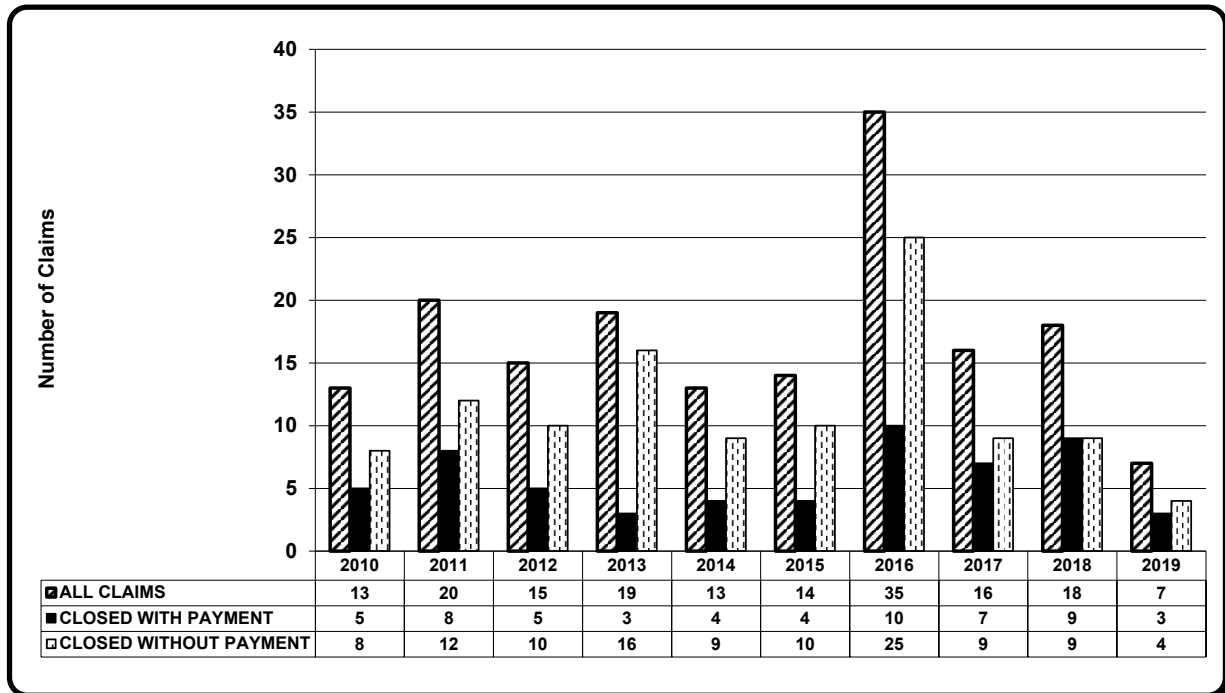


FAIL TO KNOW OR PROPERLY APPLY THE LAW

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

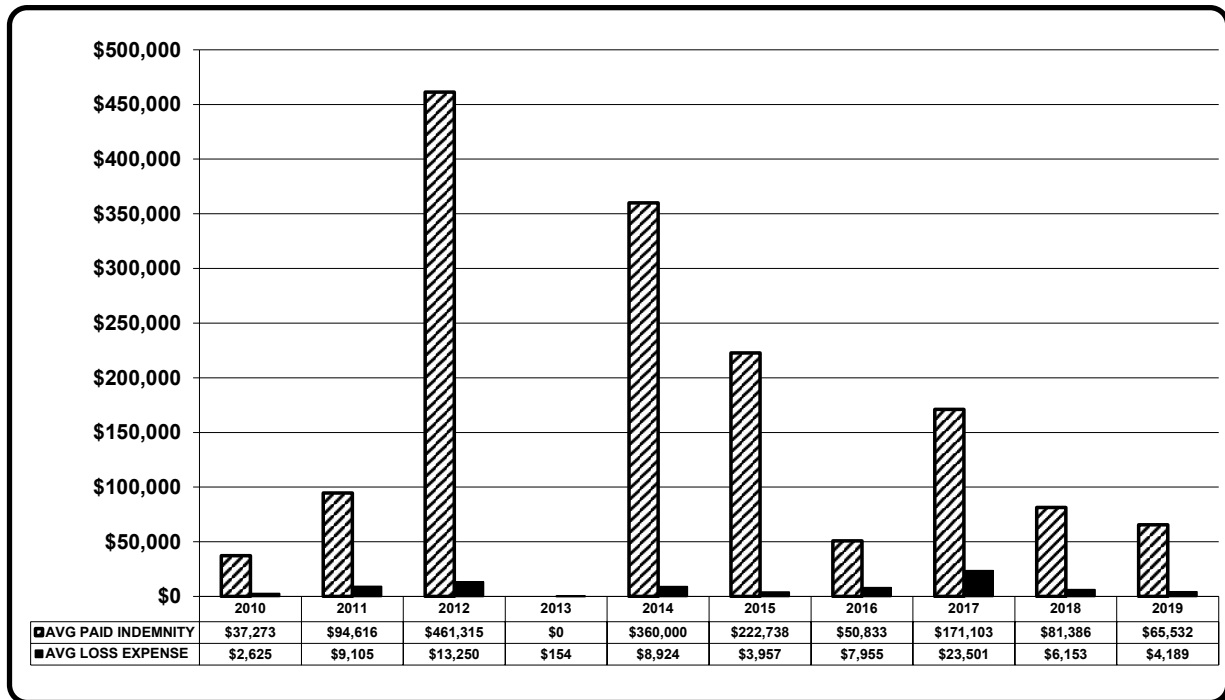


CLAIM COUNT

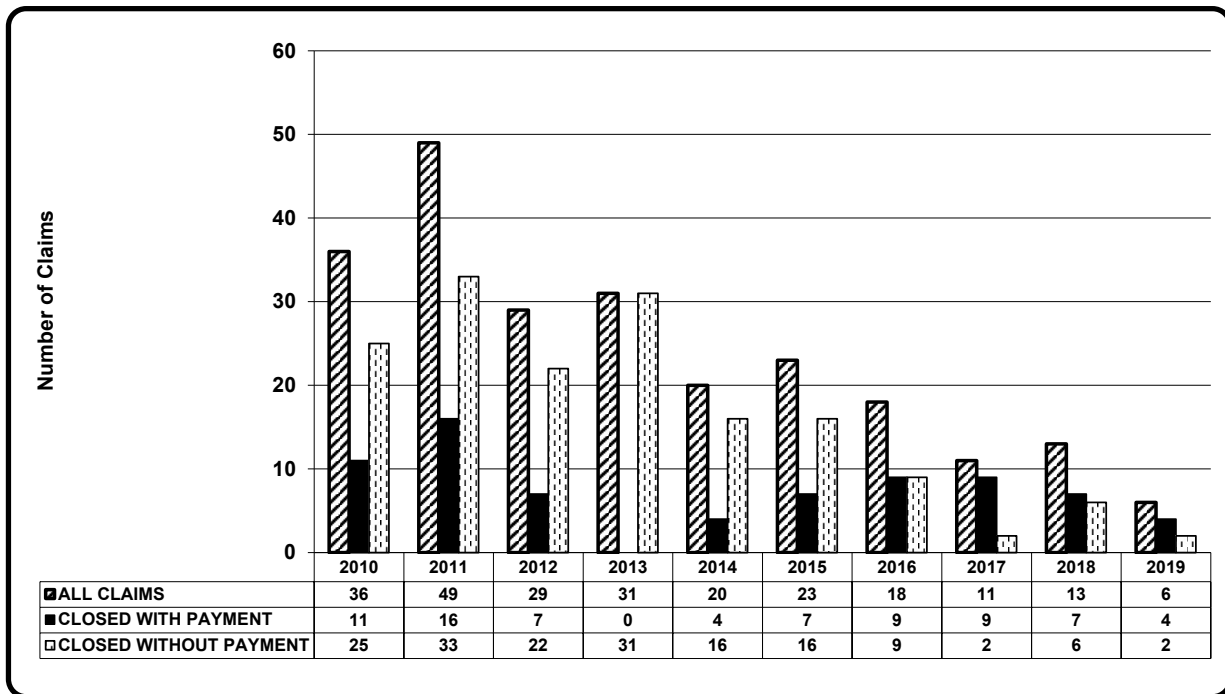


FAIL TO ASCERTAIN DEADLINE CORRECTLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

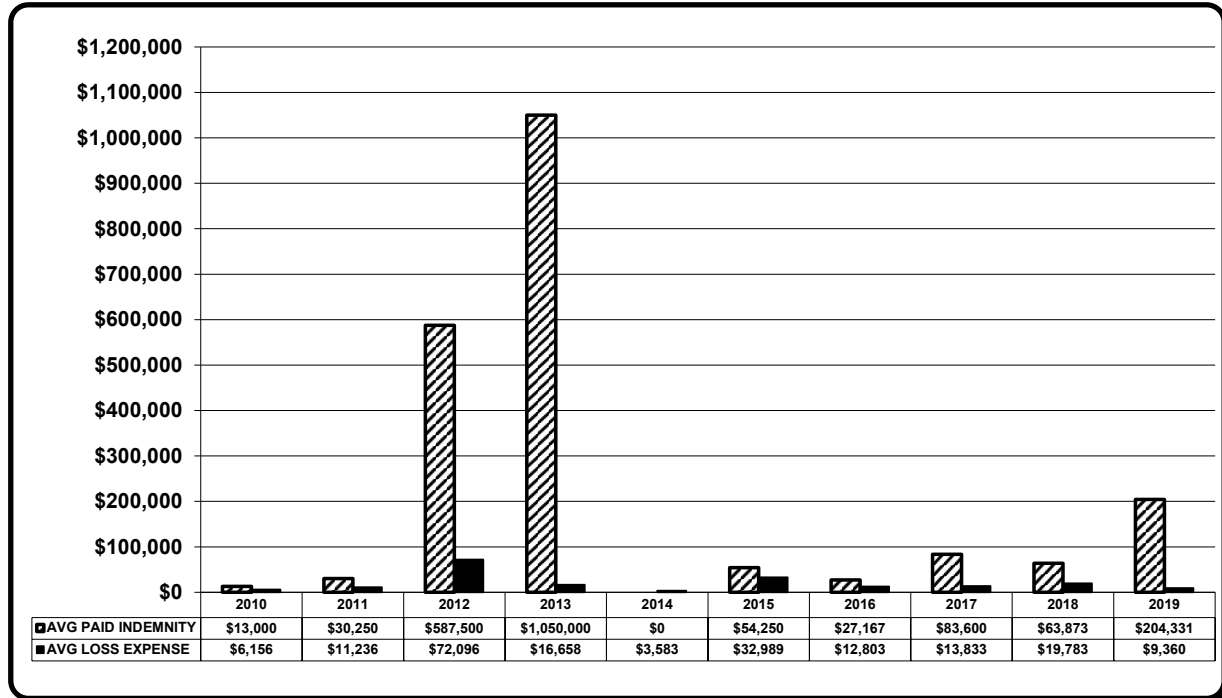


CLAIM COUNT

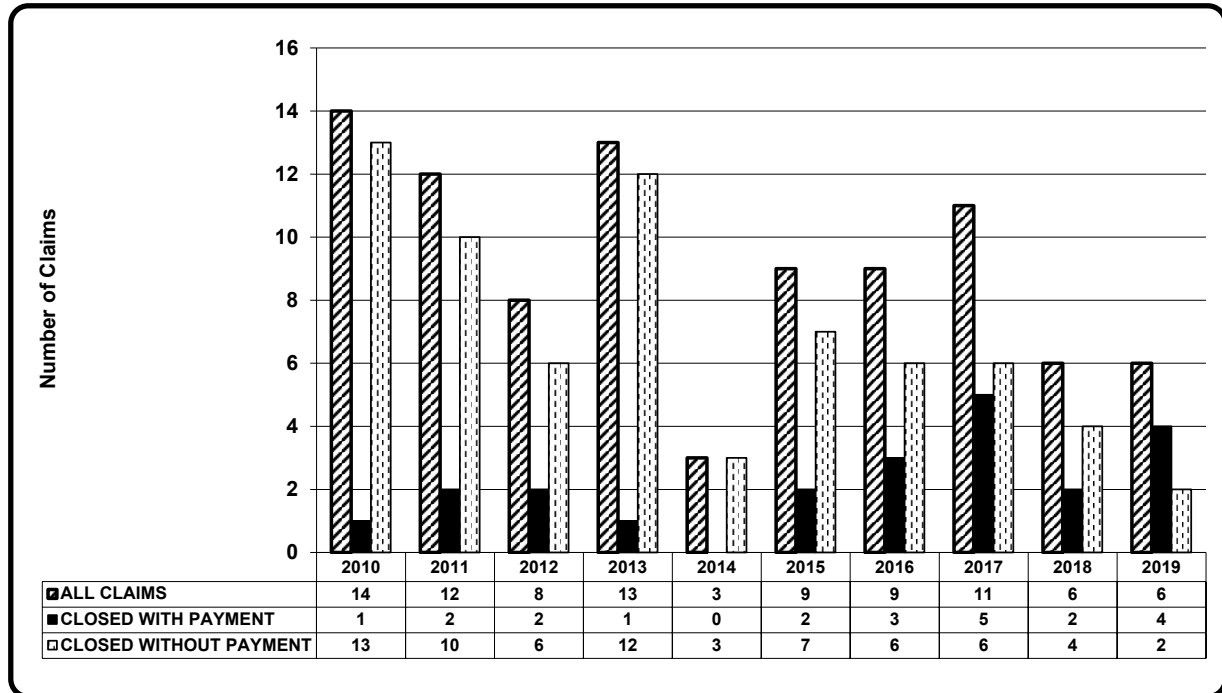


FAIL TO FOLLOW CLIENTS INSTRUCTIONS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

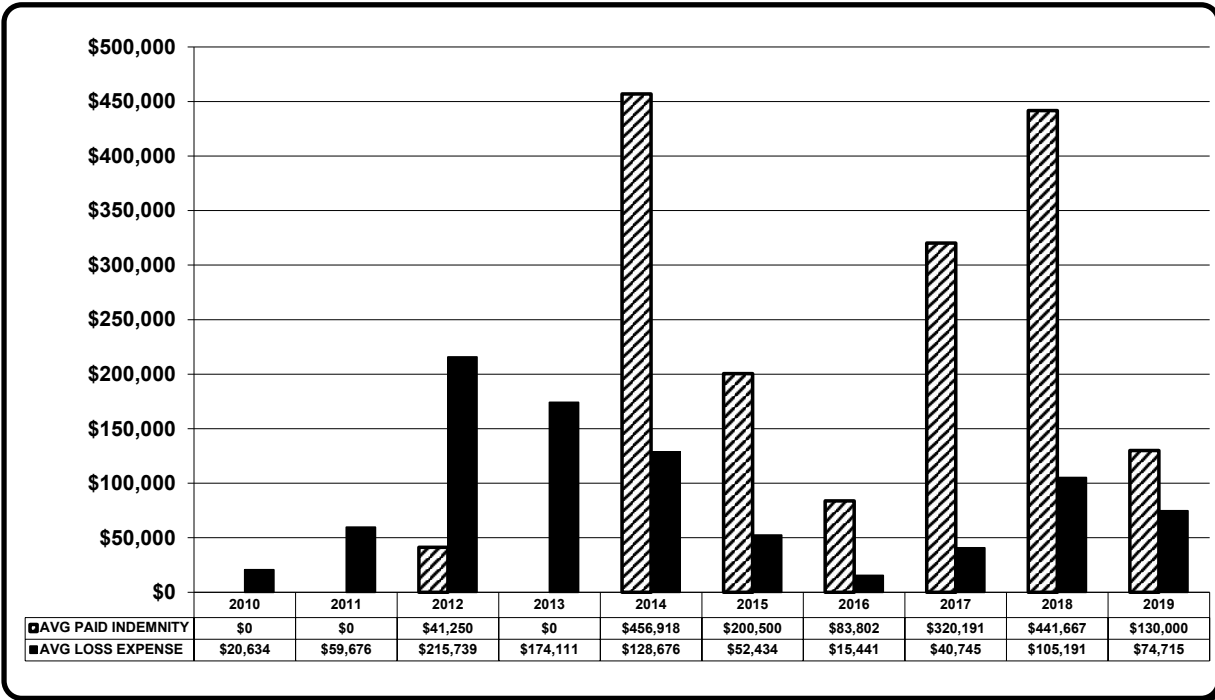


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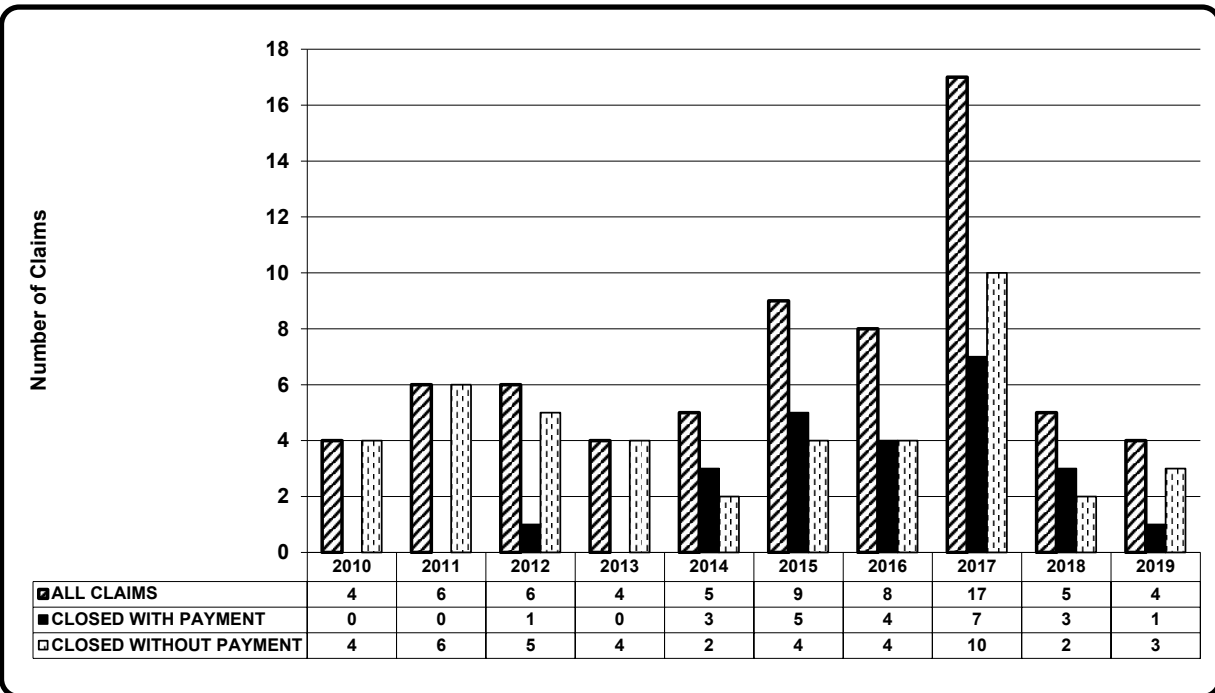


CONFLICT OF INTEREST

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

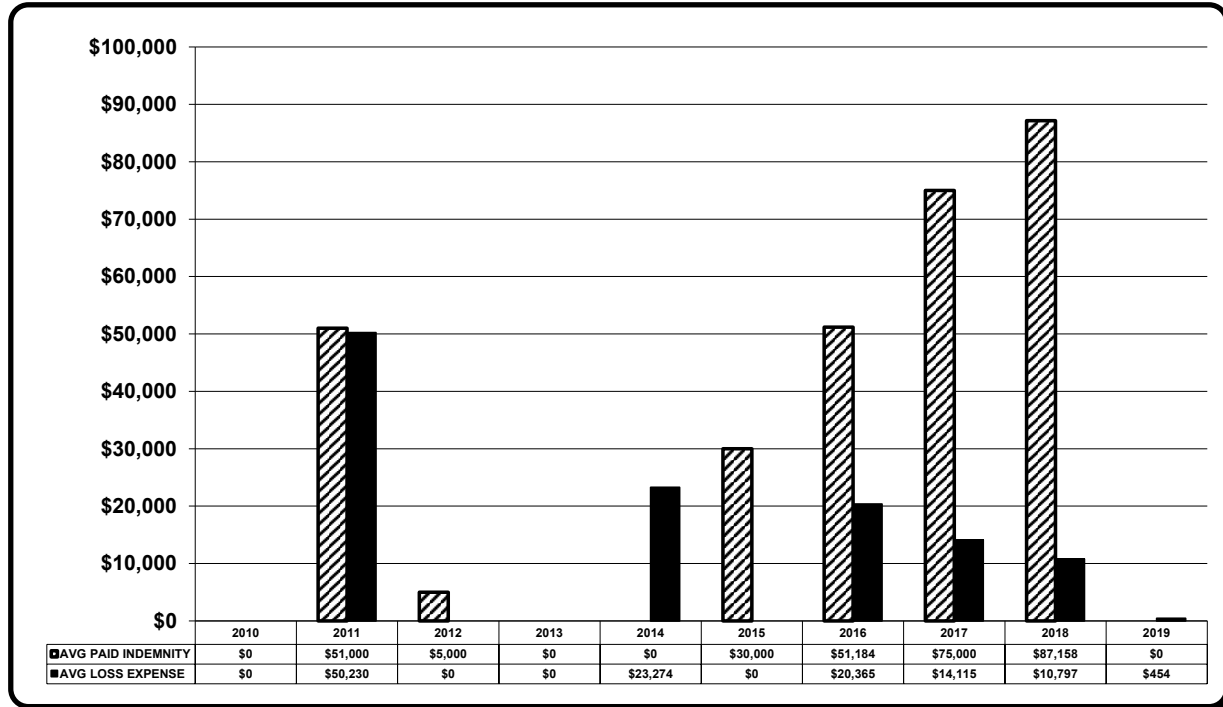


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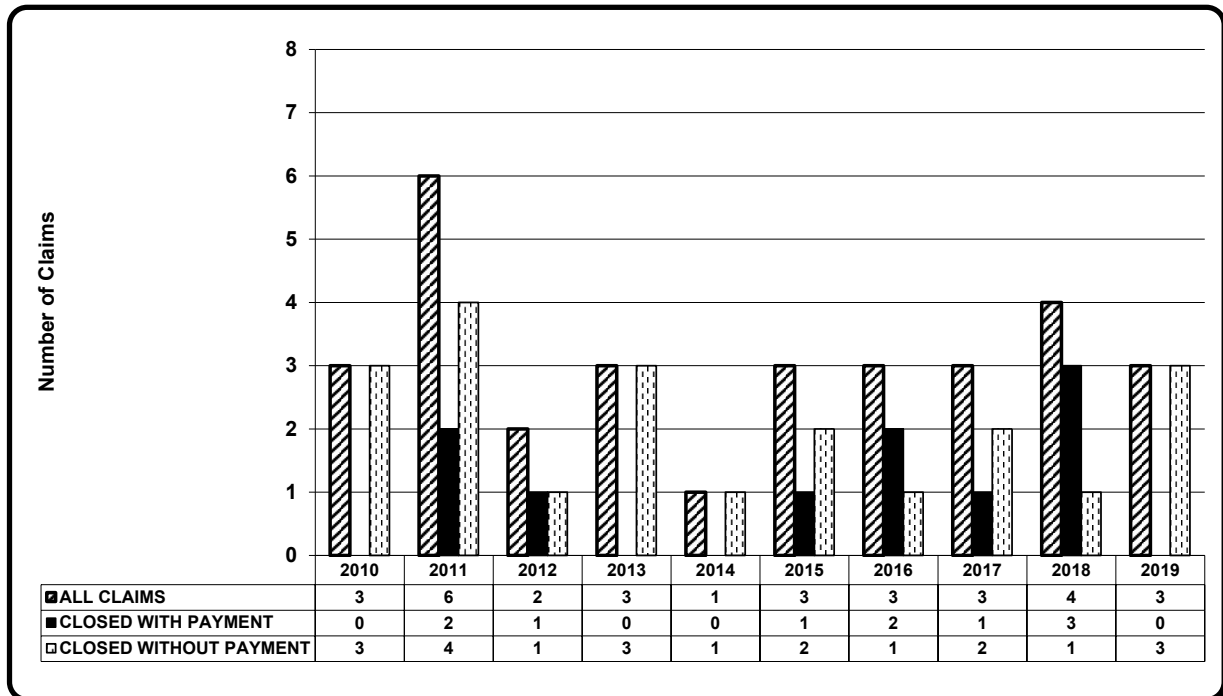


CLERICAL ERROR

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

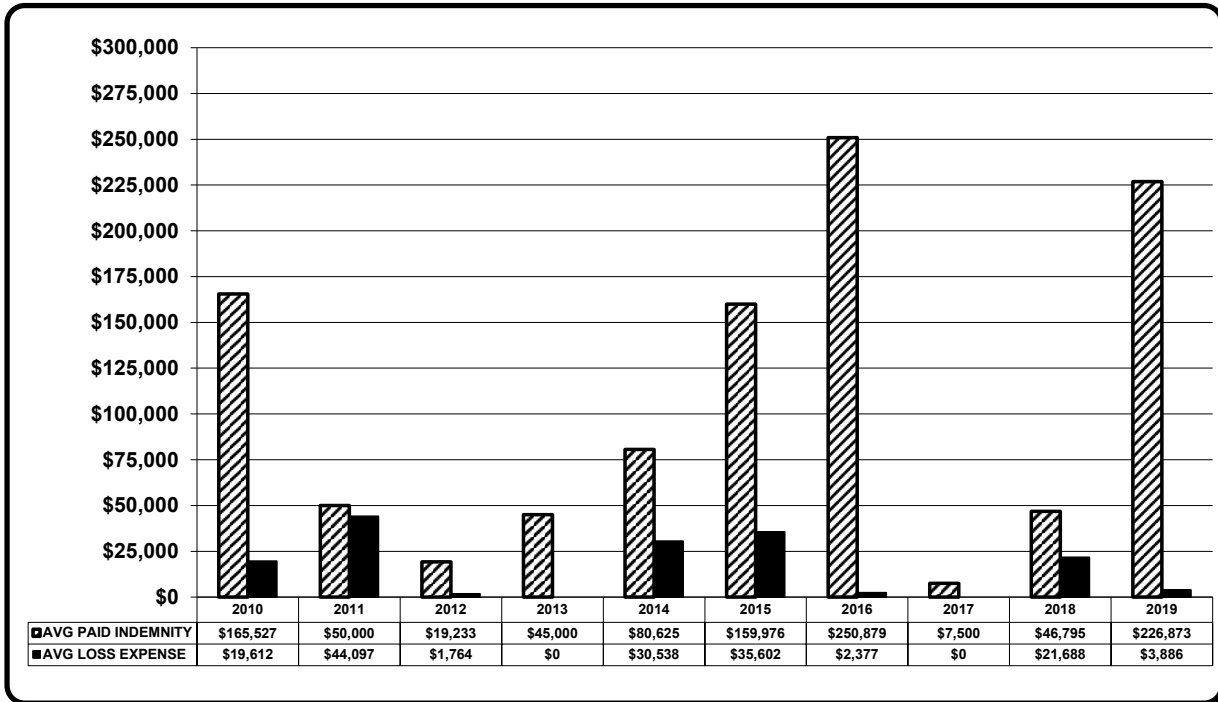


CLAIM COUNT

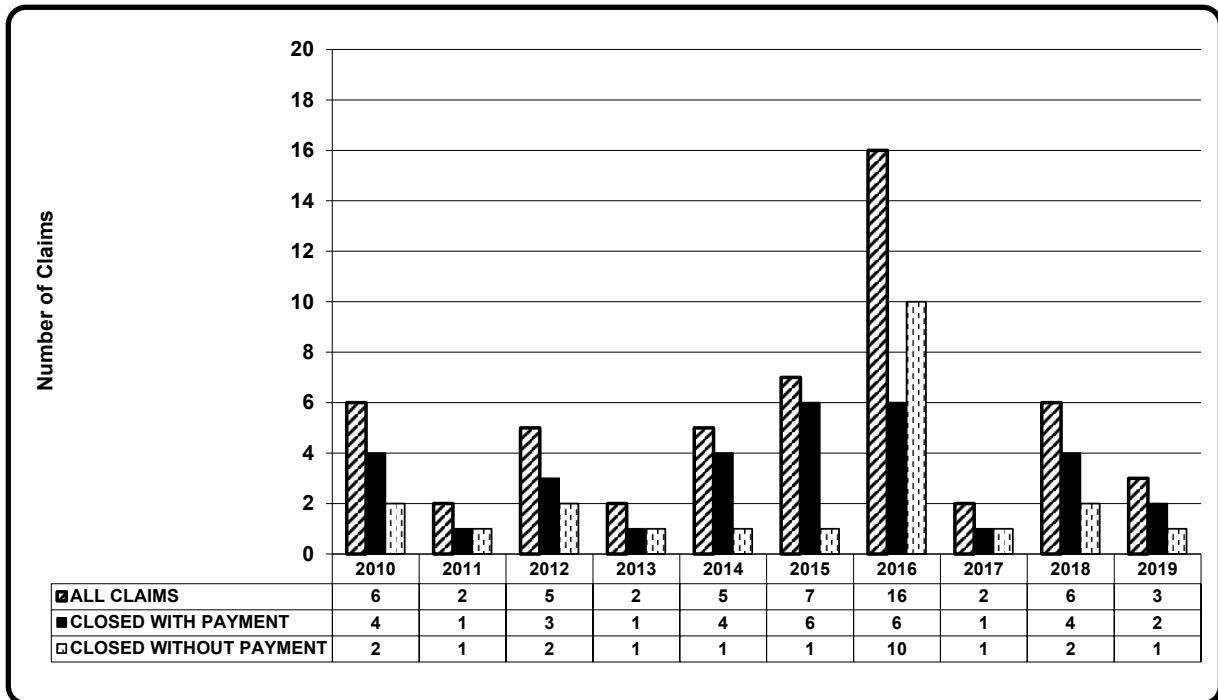


FAIL TO CALENDAR PROPERLY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2019 SUMMARY
BY
CLAIM DISPOSITIONS**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2010-2019

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE TRIAL OR HEARING	830	297	59.16%	\$178,551	\$53,029,641	69.74%	\$31,184
BEFORE FILING SUIT OR DEMANDING HEARING	706	183	36.45%	\$104,989	\$19,213,008	25.27%	\$4,270
CLAIM OR SUIT ABANDONED	179	1	0.20%	\$6,500	\$6,500	0.01%	\$2,431
AFTER APPEAL	55	2	0.40%	\$62,500	\$125,000	0.16%	\$64,557
AFTER JUDGMENT, BEFORE APPEAL	43	7	1.39%	\$119,067	\$833,472	1.10%	\$63,322
AFTER TRIAL OR HEARING, BEFORE JUDGMENT	32	3	0.60%	\$115,257	\$345,771	0.45%	\$28,968
DURING TRIAL OR HEARING	27	6	1.20%	\$316,463	\$1,898,775	2.50%	\$66,507
DURING APPEAL	15	3	0.60%	\$195,037	\$585,110	0.77%	\$79,507
DURING REVIEW PANEL	6	0	0.00%	N/A	\$0	0.00%	\$12,186
TOTAL	1,893	502	100.00%	\$151,469	\$76,037,277	100.00%	\$20,916

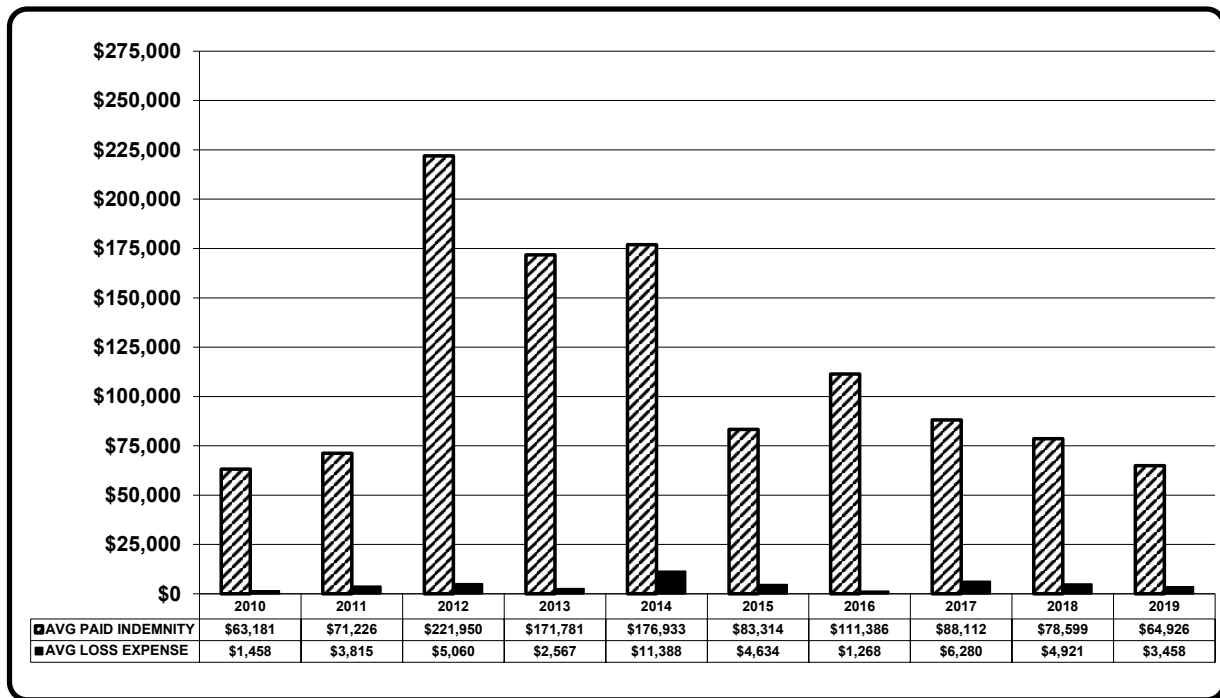
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2019

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
BEFORE FILING SUIT OR DEMANDING HEARING	33	14	46.67%	\$64,926	\$908,970	13.27%	\$3,458
BEFORE TRIAL OR HEARING	30	16	53.33%	\$371,357	\$5,941,713	86.73%	\$24,516
CLAIM OR SUIT ABANDONED	12	0	0.00%	N/A	\$0	0.00%	\$707
AFTER APPEAL	6	0	0.00%	N/A	\$0	0.00%	\$65,034
AFTER JUDGMENT, BEFORE APPEAL	3	0	0.00%	N/A	\$0	0.00%	\$44,899
DURING APPEAL	1	0	0.00%	N/A	\$0	0.00%	\$0
TOTAL	85	30	100.00%	\$228,356	\$6,850,683	100.00%	\$16,271

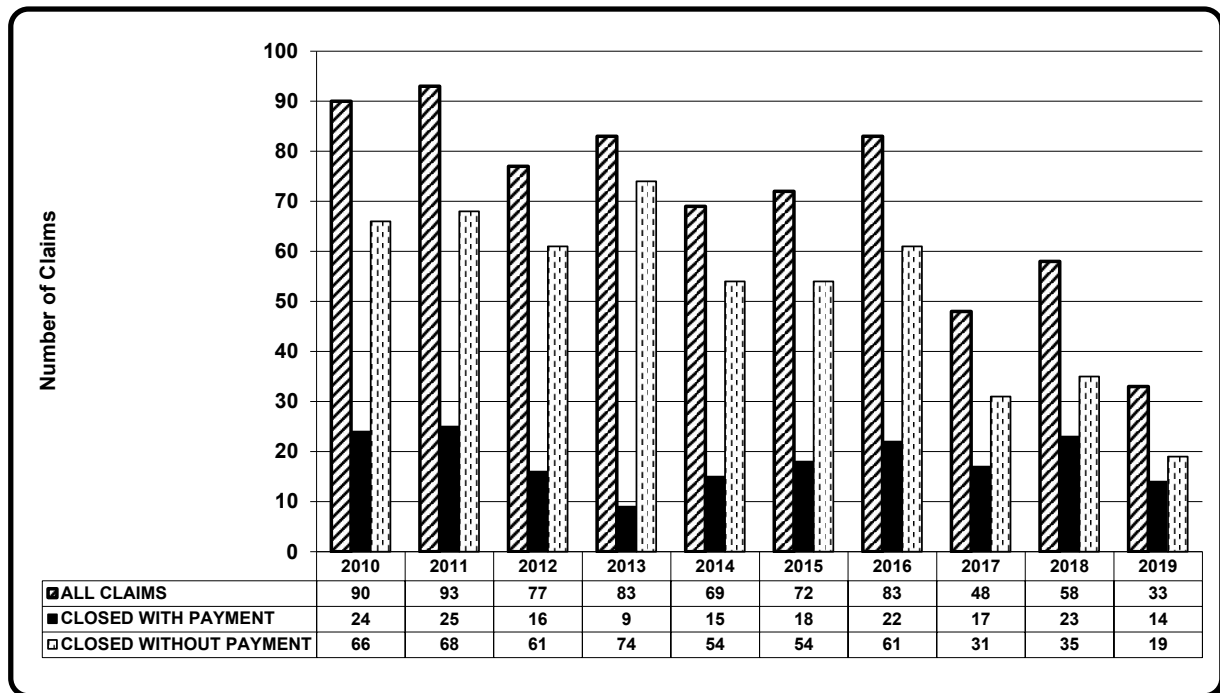
TRENDS OF CLAIM DISPOSITIONS OF 2019

BEFORE FILING SUIT OR DEMANDING HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

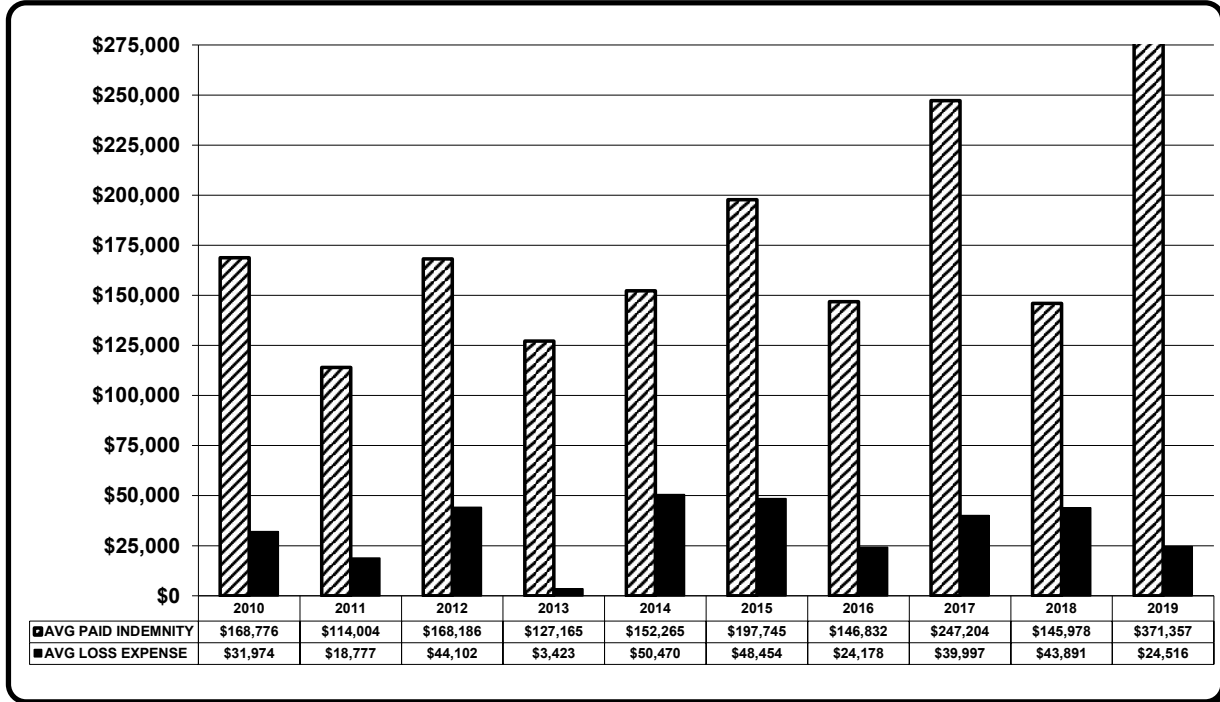


CLAIM COUNT

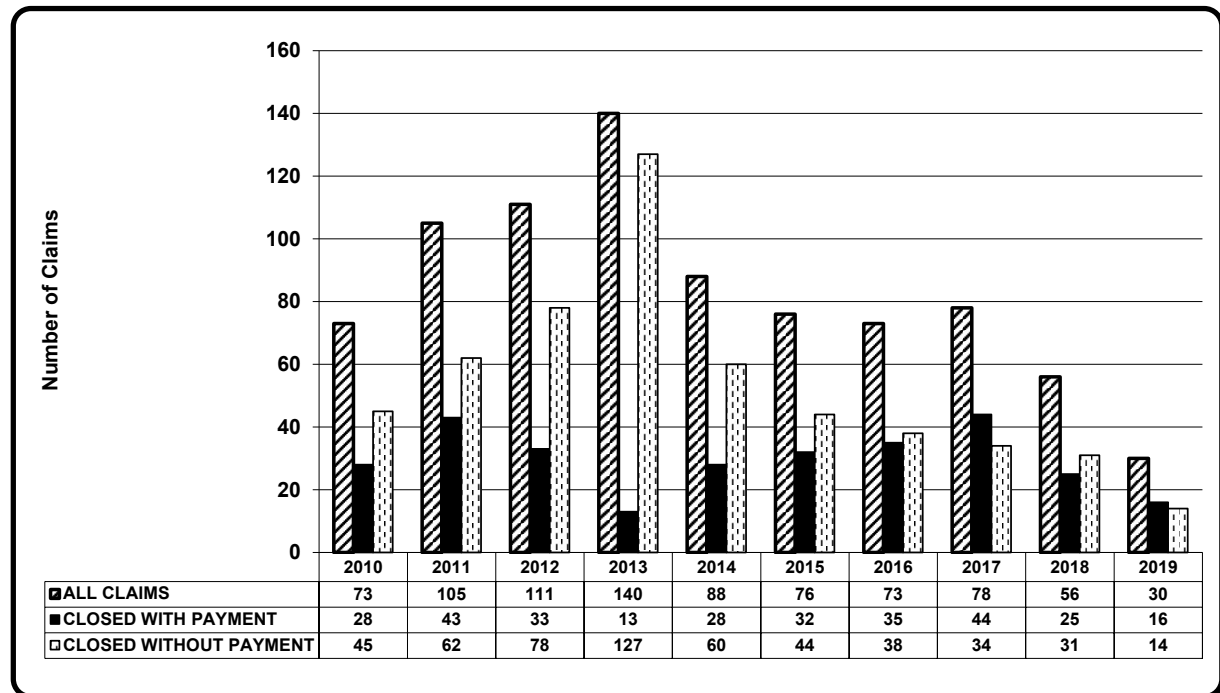


BEFORE TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

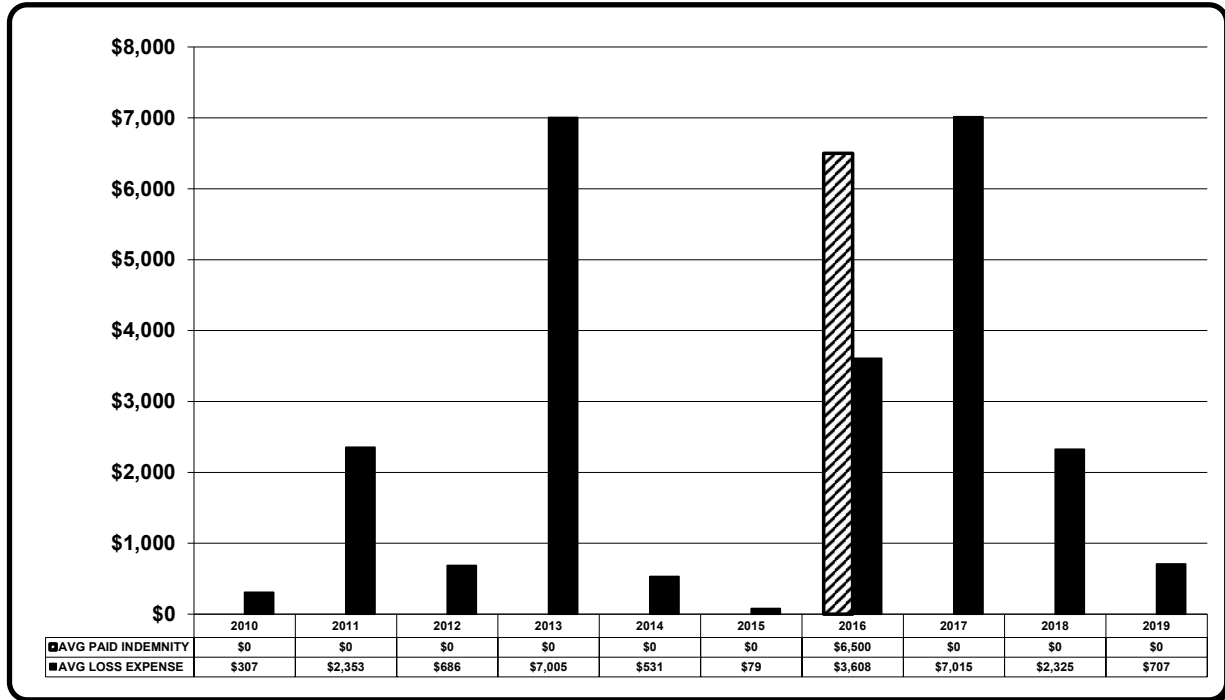


CLAIM COUNT

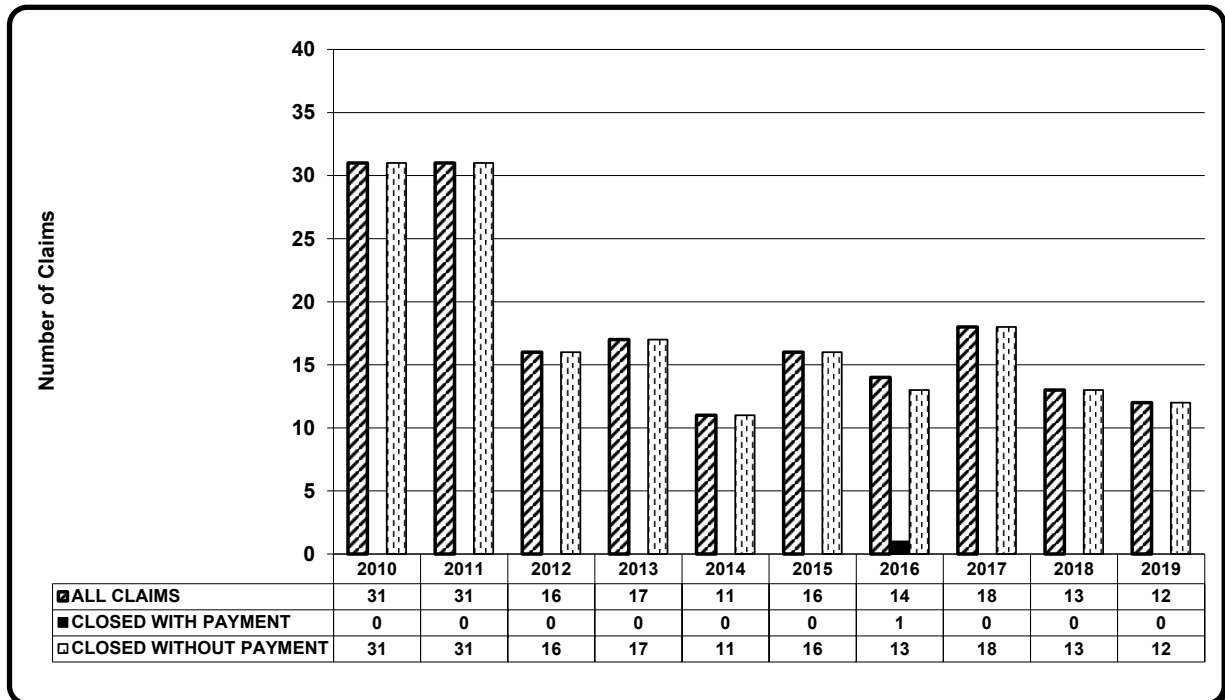


CLAIM OR SUIT ABANDONED

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

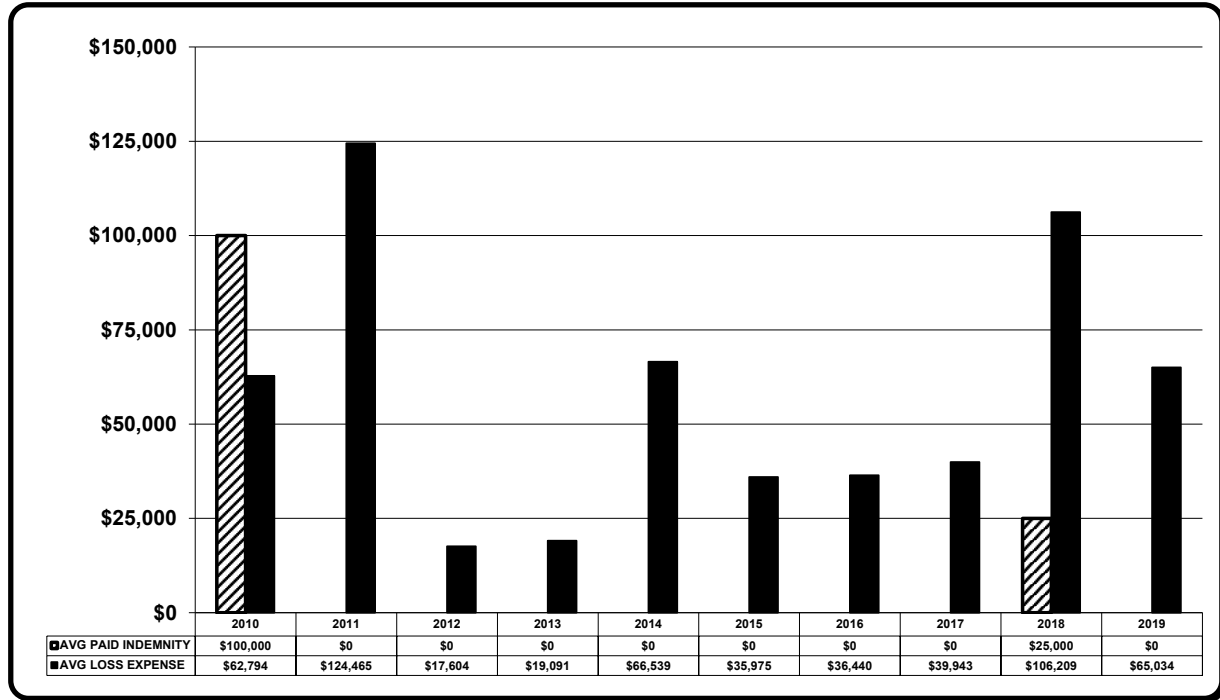


CLAIM COUNT

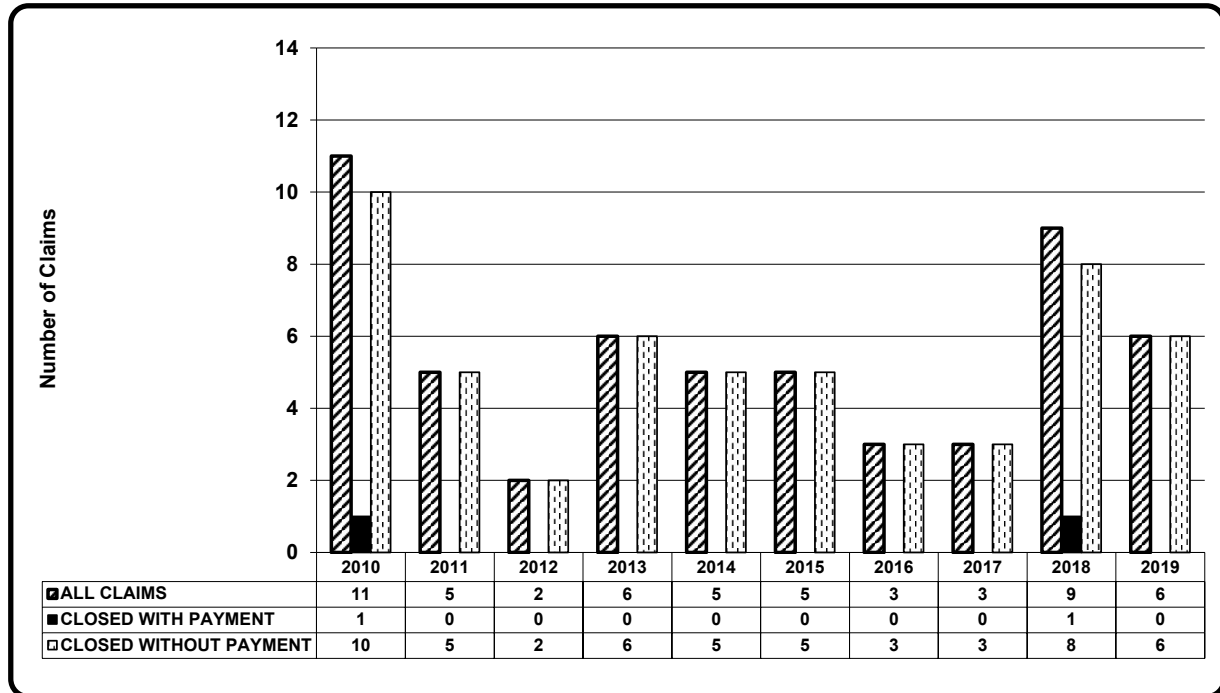


AFTER APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

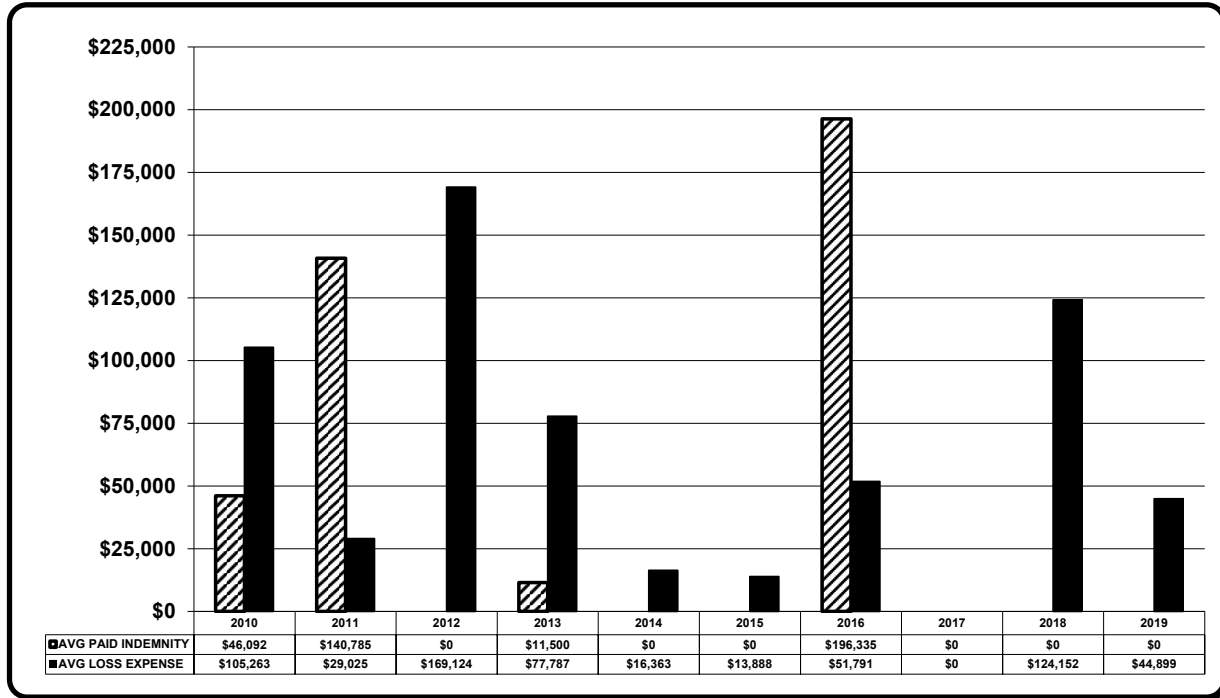


CLAIM COUNT

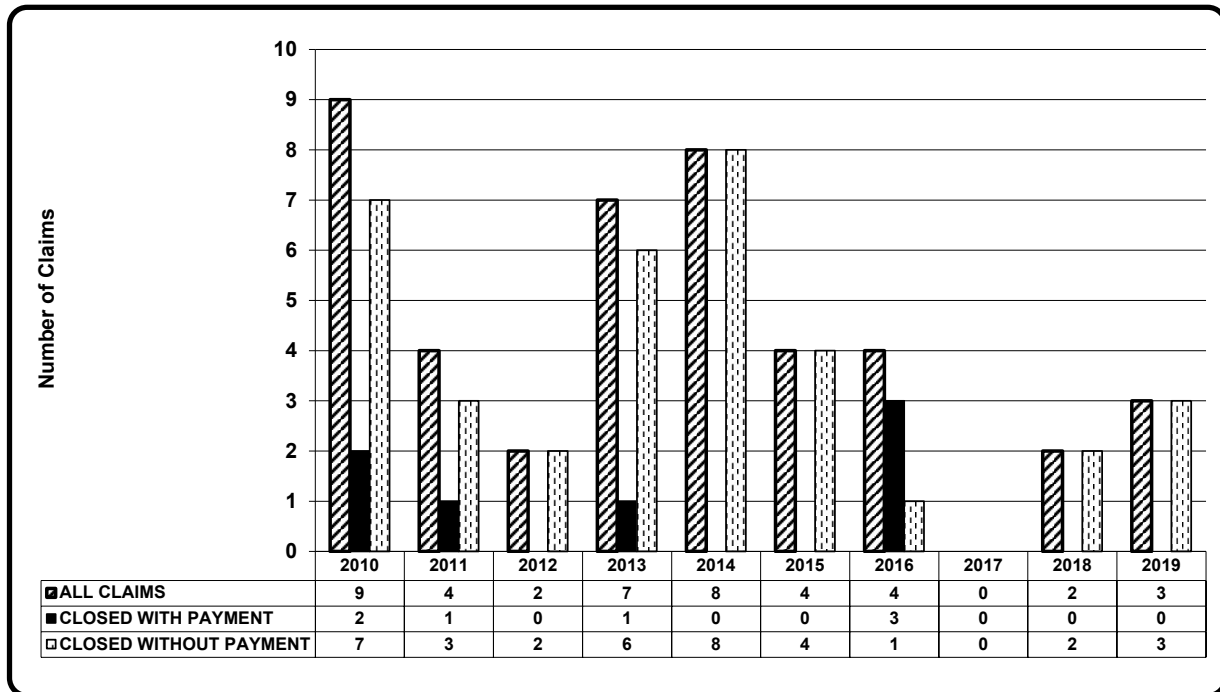


AFTER JUDGMENT, BEFORE APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

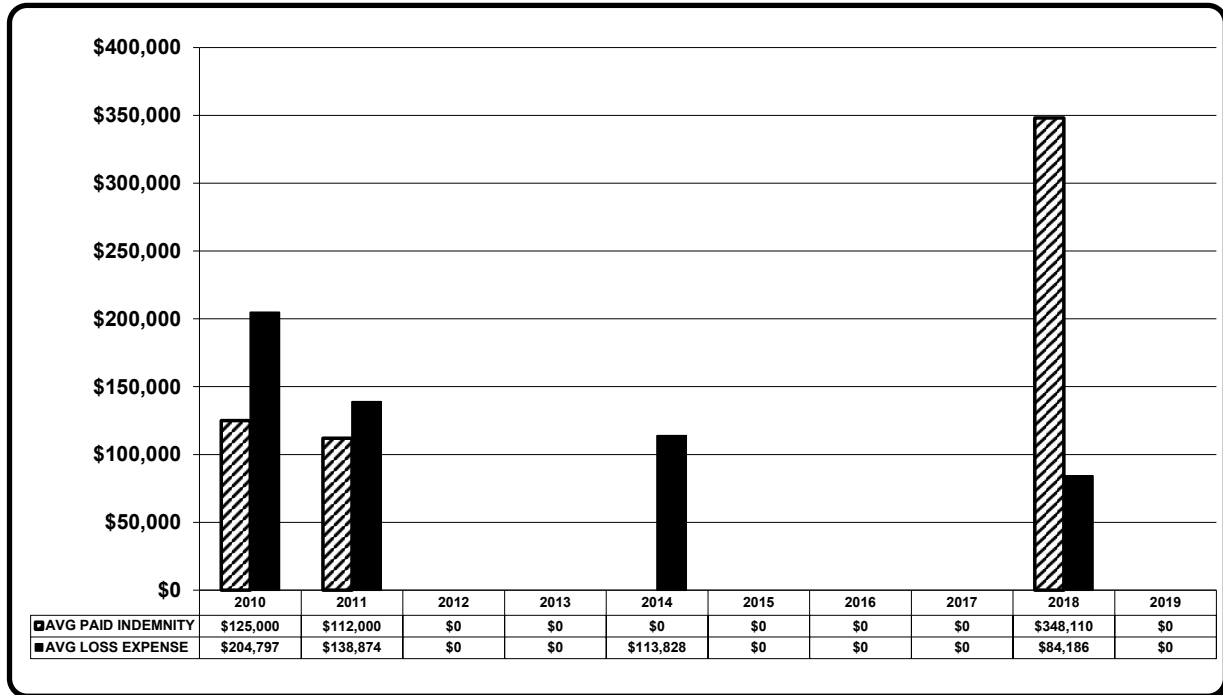


CLAIM COUNT

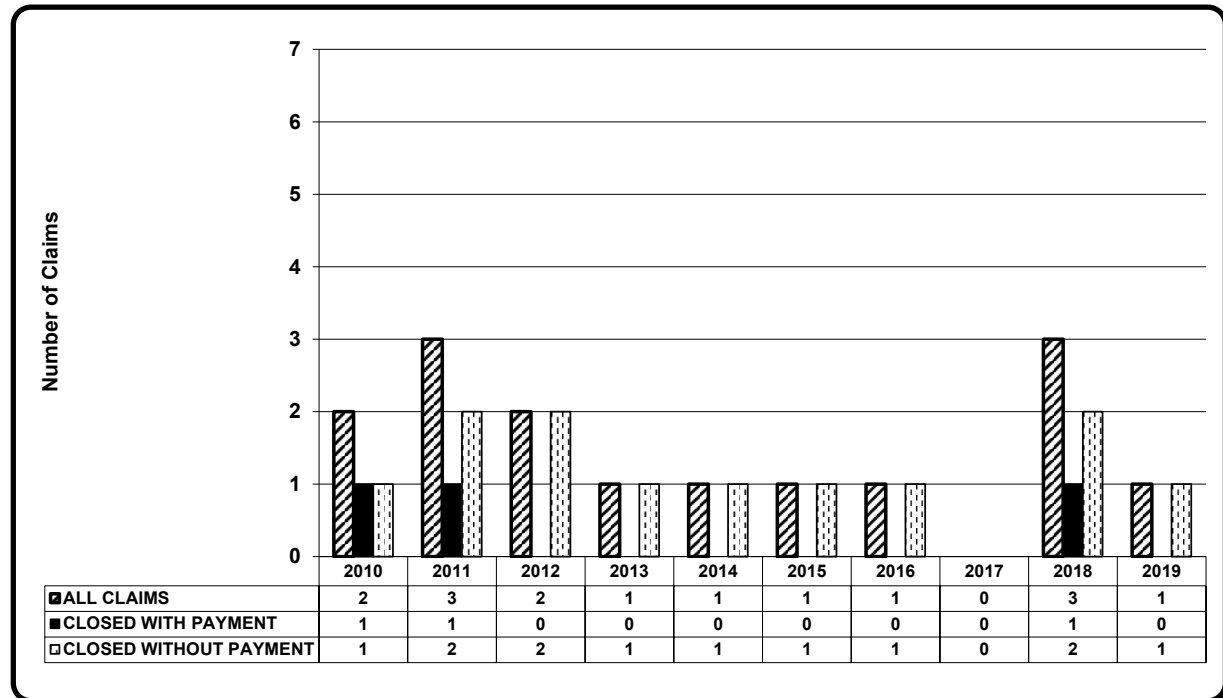


DURING APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2019 SUMMARY
BY
YEARS ADMITTED TO PRACTICE**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2010-2019

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	1,786	464	92.43%	\$154,966	\$71,904,154	94.56%	\$21,617
4 TO 10 YEARS	93	33	6.57%	\$89,413	\$2,950,623	94.56%	\$8,558
UNDER 4 YEARS	14	5	1.00%	\$236,500	\$1,182,500	1.56%	\$13,542
TOTAL	1,893	502	100.00%	\$151,469	\$76,037,277	100.00%	\$20,916

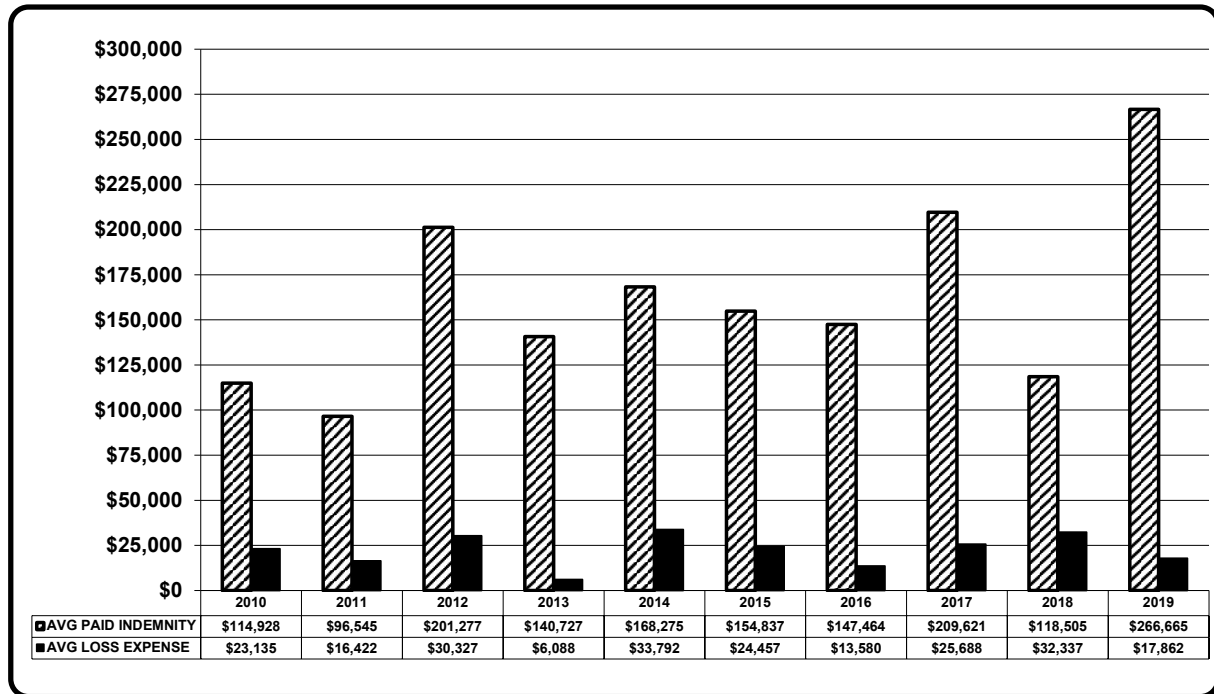
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2019

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	75	25	83.33%	\$266,665	\$6,666,633	97.31%	\$17,862
4 TO 10 YEARS	10	5	16.67%	\$36,810	\$184,050	2.69%	\$4,337
TOTAL	85	30	100.00%	\$228,356	\$6,850,683	100.00%	\$16,271

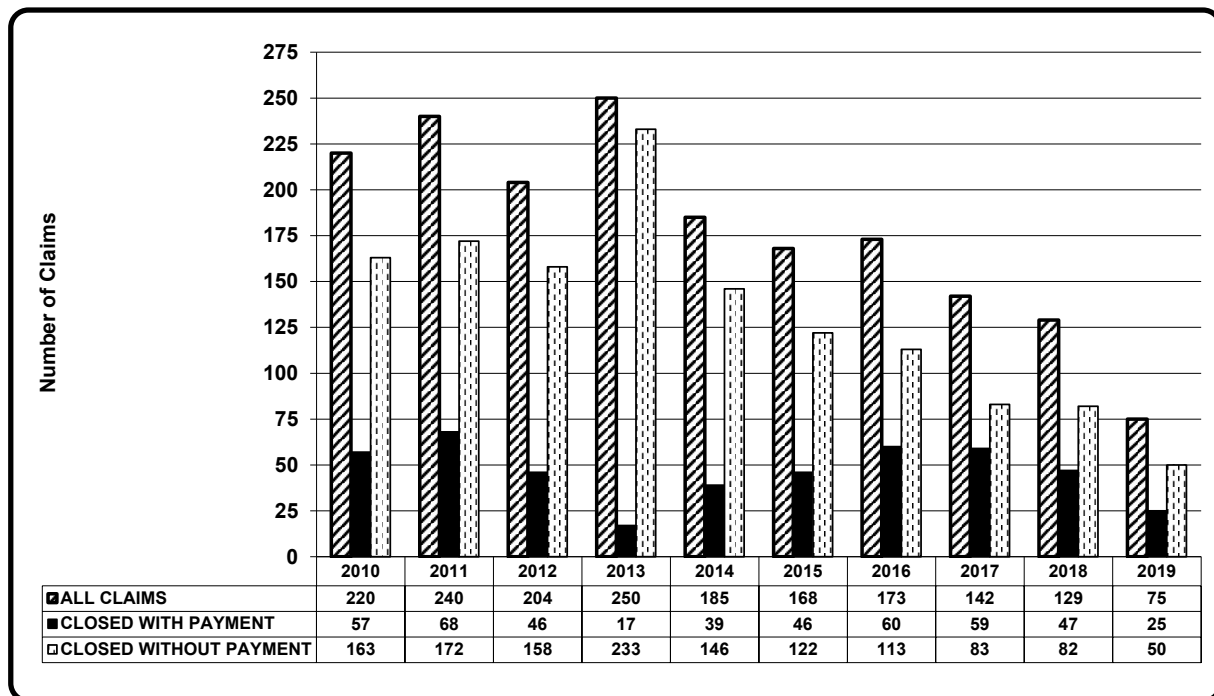
**TRENDS
OF
YEARS ADMITTED TO PRACTICE
FOR 2019**

OVER 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

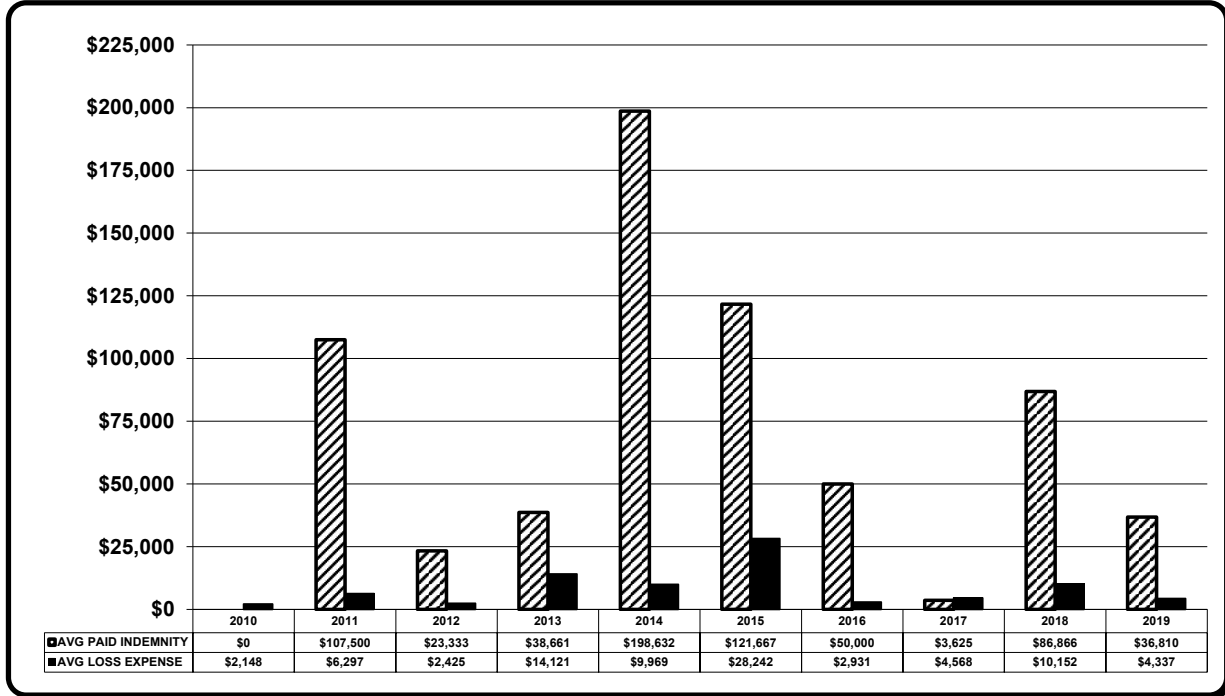


CLAIM COUNT

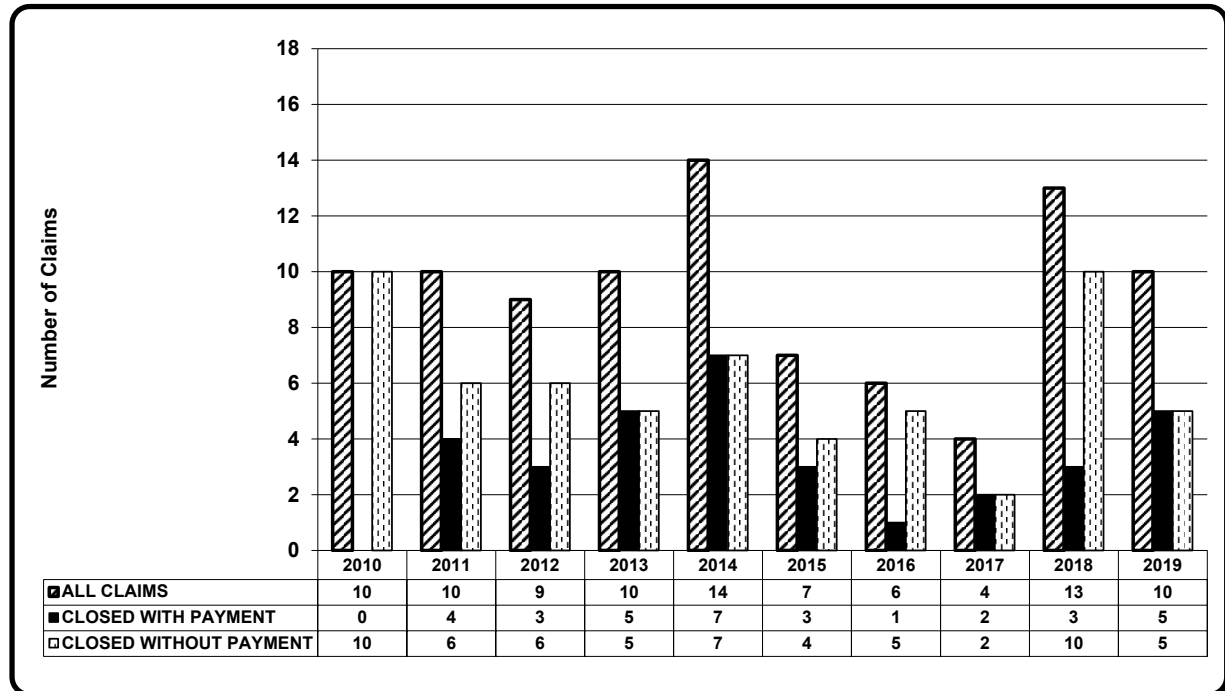


4 TO 10 YEARS

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
2019 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP**

LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS FOR YEARS 2010-2019

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN ABOVE	1,310	391	77.89%	\$168,847	\$66,019,088	86.82%	\$22,692
NON-CLIENT	570	108	21.51%	\$88,423	\$9,549,689	12.56%	\$15,156
MEMBER PRE-PAID LEGAL PLAN	8	3	0.60%	\$156,167	\$468,500	0.62%	\$77,768
FREE LEGAL SERVICE	5	0	0.00%	N/A	\$0	0.00%	\$121,146
TOTAL	1,893	502	100.00%	\$151,469	\$76,037,277	100.00%	\$20,916

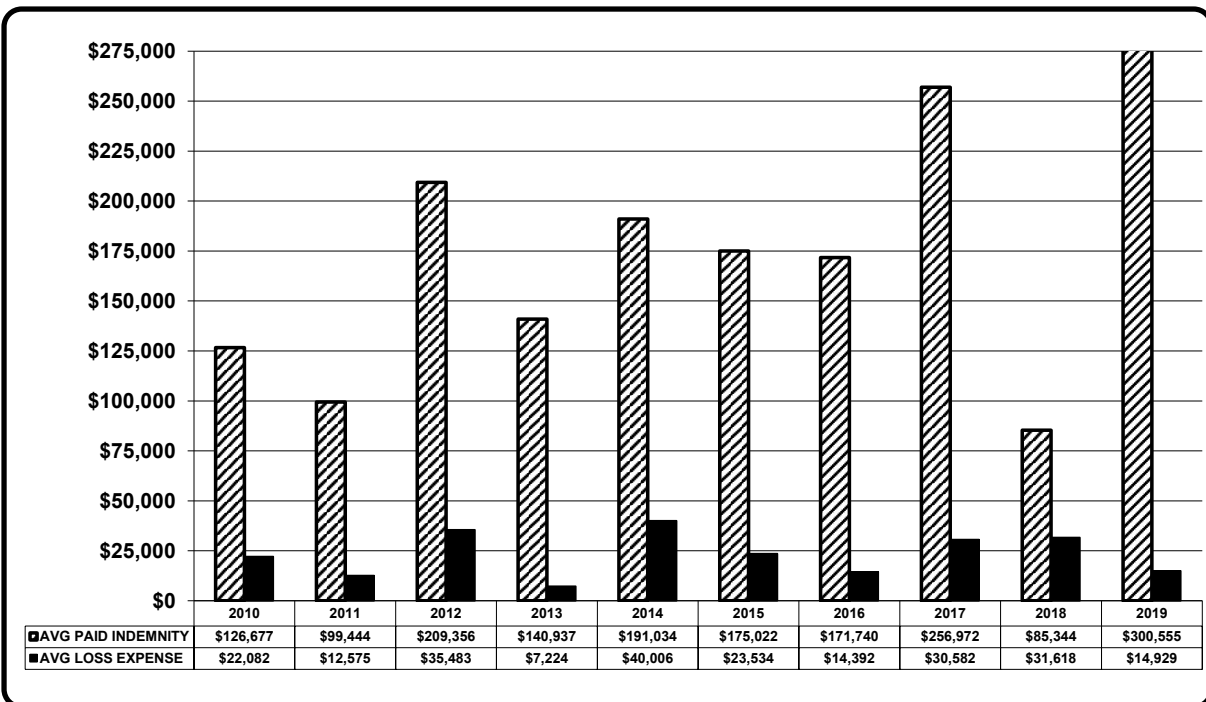
LEGAL MALPRACTICE INSURANCE INDEMNITY ANALYSIS CLAIMS CLOSED IN 2019

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLIENT OTHER THAN ABOVE	59	21	70.00%	\$300,555	\$6,311,655	92.13%	\$14,929
NON-CLIENT	25	9	30.00%	\$59,892	\$539,028	7.87%	\$19,784
FREE LEGAL SERVICE	1	0	0.00%	N/A	\$0	0.00%	\$7,575
TOTAL	85	30	100.00%	\$228,356	\$6,850,683	100.00%	\$16,271

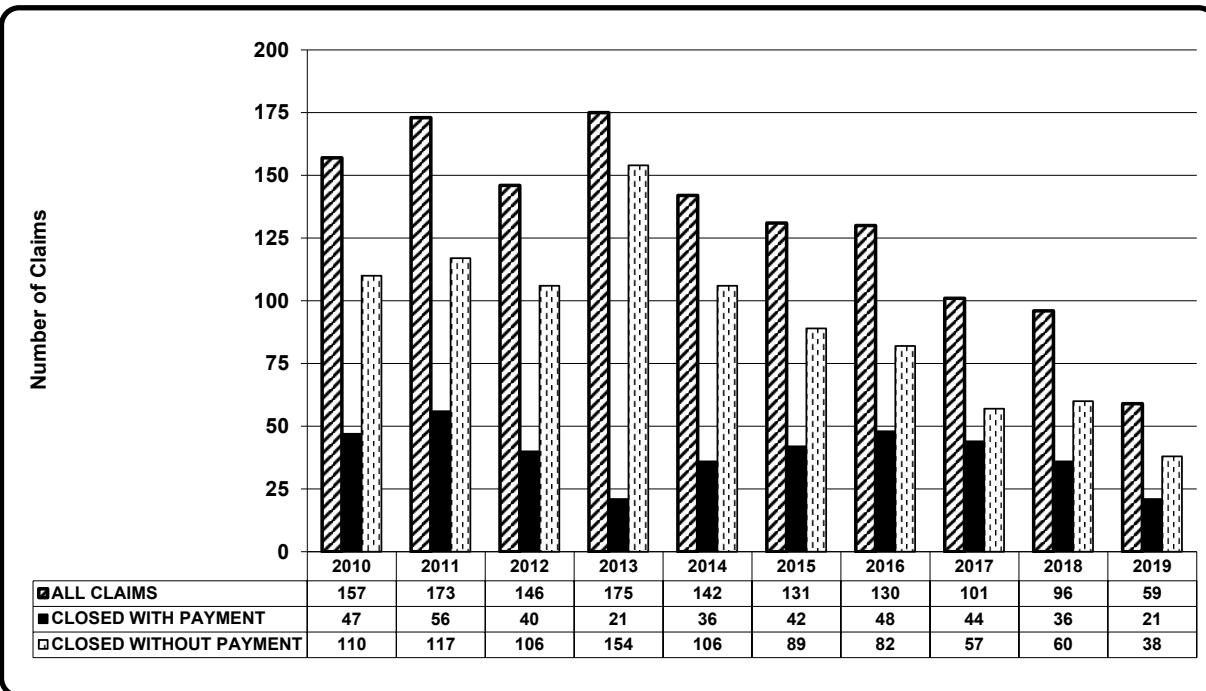
**TRENDS
OF
INSURED/CLAIMANT
RELATIONSHIP
FOR 2019**

CLIENT OTHER THAN FREE LEGAL SERVICE OR MEMBER OF PRE-PAID LEGAL PLAN

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

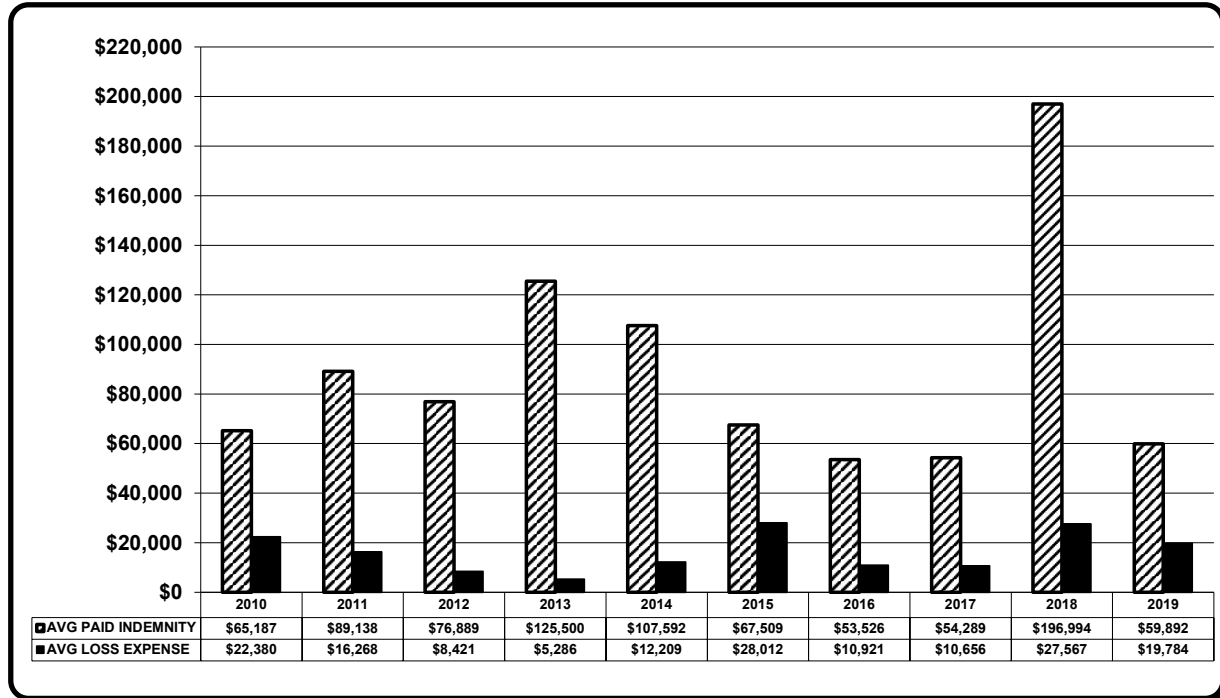


CLAIM COUNT

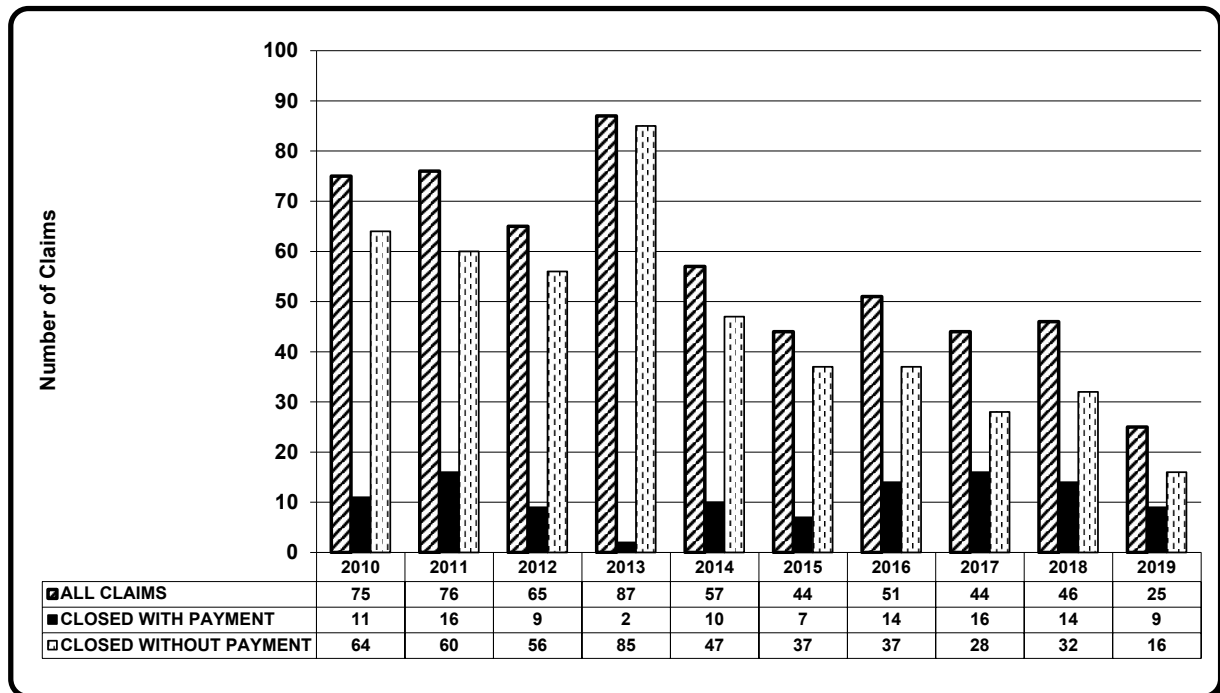


NON-CLIENT

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



PREMIUM AND LOSS DATA

PAGE 19 SUPPLEMENT LEGAL MALPRACTICE EXPERIENCE WITH MARKET SHARE

2019 EXPERIENCE

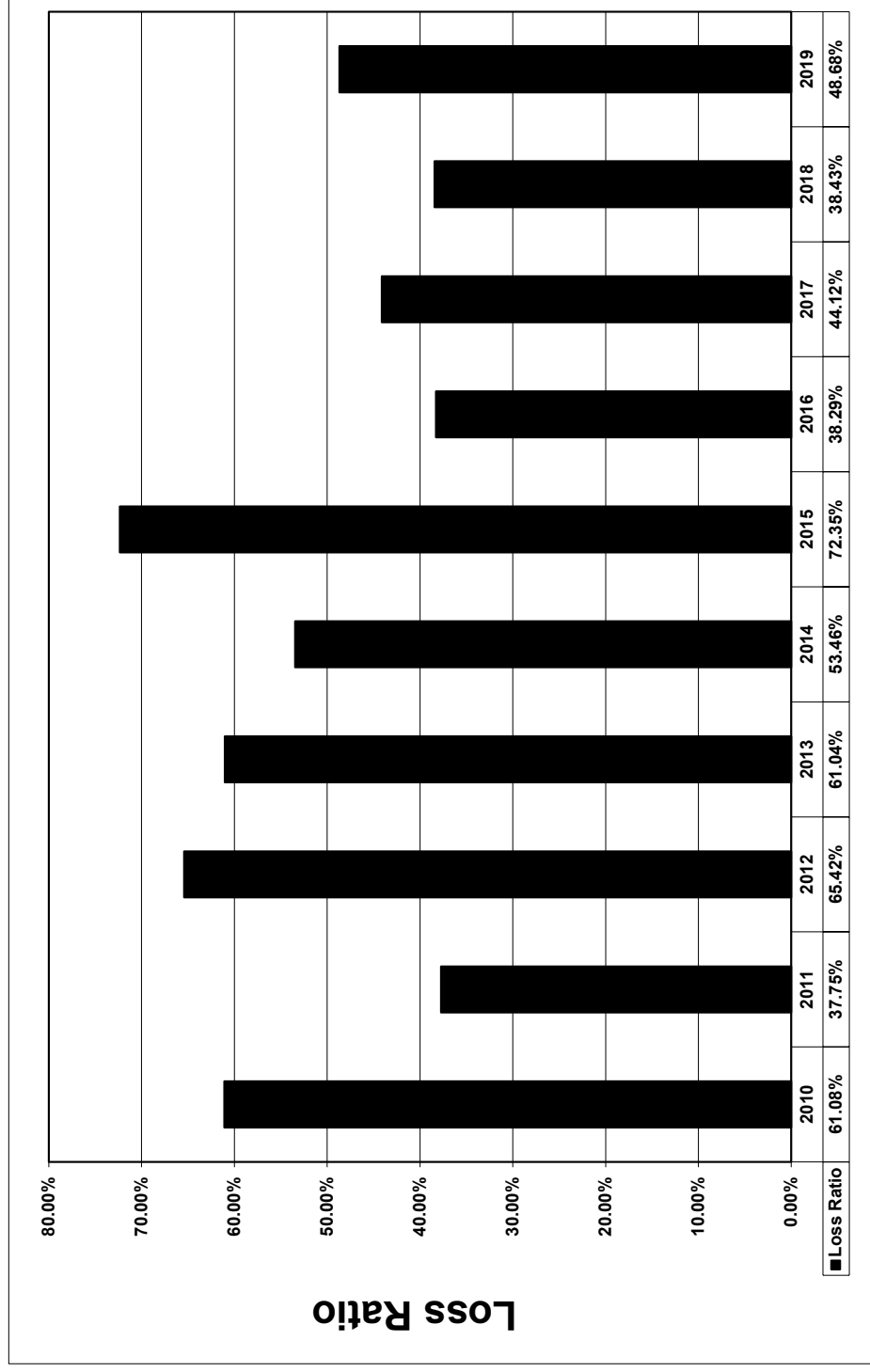
NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
29513	BAR PLAN MUTUAL INSURANCE COMPANY THE	55.33%	\$8,395,611	\$8,703,509	\$241,470	2.77%
20443	CONTINENTAL CASUALTY COMPANY	18.48%	\$2,804,103	\$2,843,014	\$4,658,242	163.85%
32450	ALPS PROPERTY & CASUALTY COMPANY	7.68%	\$1,165,584	\$1,092,041	\$249,499	22.85%
22292	HANOVER INSURANCE COMPANY THE	5.76%	\$873,188	\$873,188	\$169,518	19.41%
19801	ARGONAUT INSURANCE COMPANY	4.80%	\$728,019	\$729,693	\$57,403	7.87%
24147	OLD REPUBLIC INSURANCE COMPANY	2.37%	\$359,843	\$246,788	\$27,649	11.20%
31194	TRAVELERS CASUALTY & SURETY CO OF AMER	2.10%	\$318,330	\$245,302	\$85,000	34.65%
37273	AXIS INSURANCE COMPANY	1.42%	\$215,808	\$241,821	(\$59,982)	-24.80%
22730	ALLIED WORLD INSURANCE COMPANY	0.97%	\$147,577	\$168,758	\$1,921,158	1138.41%
22241	MEDMARC CASUALTY INSURANCE COMPANY	0.36%	\$53,901	\$36,395	\$64,146	176.25%
19518	CATLIN INSURANCE COMPANY INC	0.34%	\$51,430	\$66,639	\$9,867	14.81%
29459	TWIN CITY FIRE INSURANCE COMPANY	0.27%	\$40,942	\$10,535	(\$7)	-0.07%
11000	SENTINEL INSURANCE COMPANY LTD	0.06%	\$8,681	\$4,847	\$0	0.00%
29424	HARTFORD CASUALTY INSURANCE CO	0.03%	\$5,001	\$2,665	\$0	0.00%
16624	ALLIED WORLD SPECIALTY INSURANCE COMPANY	0.03%	\$4,500	\$4,540	(\$683)	-15.04%
16691	GREAT AMERICAN INSURANCE COMPANY	0.00%	\$0	\$0	\$72	N/A
22322	GREENWICH INSURANCE COMPANY	0.00%	\$0	\$640	(\$2,224)	-347.50%
27154	ATLANTIC SPECIALTY INSURANCE COMPANY	0.00%	\$0	\$0	\$12,439	N/A
	TOTAL	100.00%	\$15,172,518	\$15,270,375	\$7,433,567	48.68%

**PAGE 19 SUPPLEMENT
LEGAL MALPRACTICE EXPERIENCE**

TEN YEAR SUMMARY

YEAR	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
2010	\$14,955,313	\$15,124,731	\$9,238,427	61.08%
2011	\$14,269,499	\$14,608,084	\$5,514,132	37.75%
2012	\$15,356,950	\$15,088,454	\$9,871,352	65.42%
2013	\$15,843,263	\$15,221,120	\$9,291,232	61.04%
2014	\$16,725,395	\$16,787,627	\$8,975,108	53.46%
2015	\$16,452,459	\$16,412,220	\$11,873,680	72.35%
2016	\$16,350,726	\$16,425,472	\$6,289,090	38.29%
2017	\$16,385,754	\$16,414,566	\$7,242,168	44.12%
2018	\$15,333,042	\$15,946,562	\$6,127,946	38.43%
2019	\$15,172,518	\$15,270,375	\$7,433,567	48.68%
10-Year Total	\$156,844,919	\$157,299,211	\$81,856,702	52.04%

PAGE 19 SUPPLEMENT
LEGAL MALPRACTICE EXPERIENCE
TEN YEAR LOSS RATIO SUMMARY



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Missouri Department of Commerce & Insurance

DCI

Harry S Truman Building, Room 530
301 W. High St.
PO Box 690
Jefferson City, MO 65102